
UNIT- I- ORGANISATIONAL BEHAVIOUR

1.0 AIMS AND OBJECTIVES

This lesson is intended to introduce the students about the fundamental of organisational behaviour. After studying this lesson you will be able to:

- Define an organisation
- Understand the importance of organisation
- Describe the scope of management
- Understand the framework of organisational behaviour

1.1.INTRODUCTION

Why do people behave the way they do? What causes different people to react differently to the same situation? Why are some Organisations more successful than others, even though they appear to be managed in the same manner? All of these questions -and more -are the substance of what organisational behaviour is all about.

1.1.1PURPOSE OF ORGANISATIONAL BEHAVIOUR

Organization behavior's purpose is to set up an organizational culture, hiring the best people and creating meaningful connections among them, resolving the conflicts, developing the qualities of the employees, and establish a firm and clear leadership chain.
The main 8 objectives of organizational behavior

- Job Satisfaction
- Finding the Right People
- Organisational Culture
- Leadership and Conflict Resolution
- Understanding the Employees Better
- Understand how to Develop Good Leaders
- Develop a Good Team
- Higher Productivity

1.2 MEANING & DEFINITION OF ORGANISATIONAL BEHAVIOUR

Organisational behaviour is the systematic study of the actions and attitudes that people exhibit within organisations. It is individual behaviour and group dynamics in organisations. The study

of organisational behaviour is primarily concerned with the psychosocial, interpersonal and behavioural dynamics in organisations.

The term ‘organisational behaviour’ is defined by Stephen P Robbins as “a field of the study that investigates the impact of individuals, groups and structures on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation’s effectiveness”.

According to this definition, organisational behaviour

- Is a field of study with a common body of knowledge?
- It studies three determinants of behaviour in organisations. They are individuals, groups and structures.
- It applies the knowledge gained about individuals, groups and the effect of structure on the behaviour in order to make organisations work more effectively.

1.3 NEED AND IMPORTANCE OF ORGANISATIONAL BEHAVIOUR

It is very important to study organisational behaviour because it provides an understanding why people behave as they do in organisation. In any organisation importance of organisational behaviour has tremendous necessities.

Some of the importance of organisational behaviour in any type of organisations is as follows

1.3.1Understanding the relationship between an organisation and its employees

The study of Organisational Behaviour helps in the better understanding of the relationship between an organisation and its employees thereby helping in the development of better Human Resource strategies in creating a better work environment, employee loyalty and increasing the overall value of the human capital for the organisation.

1.3.2Motivating employees

Studying Organisational Behaviour help managers to better understand their employees and motivate them, applying different motivational tools as per individual requirements resulting in the better performance of the organisation as a whole.

1.3.3 Improving industrial/ labour relations

Organisational Behaviour help in understanding the cause of a problem, predict its future course and control its consequences. As a result, managers are able to maintain better relations with their employees by nipping any problem in the bud.

1.3.4 Effective utilization of Human Resource

Knowledge of Organisational Behaviour help managers to effectively and efficiently manage their employees, inspiring and motivating them to higher efficiency and productivity through a better understanding and analysis of human behaviour.

1.3.5Predicting human behaviour

This is probably the most important reason for studying Organisational Behaviour in management. Knowledge of Organisational Behaviour prepares students to become better managers by becoming a student of human behaviour from a management perspective and thereby contributing to organisational effectiveness and profitability.

1.4. NATURE AND SCOPE OF ORGANISATIONAL BEHAVIOUR

Organisational behaviour has emerged as a separate field of study. The nature it has acquired is identified as follows:

1.4.1. A separate field of study and not a discipline only

By definition, a discipline is an accepted science that is based on a theoretical foundation. But, OrganisationalBehaviour has a multi-interdisciplinary orientation and is, thus, not based on a specific theoretical background. Therefore, it is better reasonable to call organizational behaviour a separate field of study rather than a discipline only.

1.4.2. An Interdisciplinary approach

Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analyzing organisational behaviour.

1.4.3. An Applied Science

The very nature of organizational behaviour is applied. That organizational behaviour basically does is the application of various researches to solve the organisational problems related to human behaviour. The basic line of difference between pure science and organizational behaviour is that while the former concentrates of fundamental researches, the latter concentrates on applied researches. organizational behaviour involves both applied research and its application in organisational analysis. Hence, organizational behaviour can be called both science as well as art.

1.4.4. A Normative Science

Organisational Behaviour is a normative science also. While the positive science discusses only cause effect relationship, organizational behaviour. prescribes how the findings of applied

researches can be applied to socially accepted organisational goals. Thus, organizational behaviour. deals with what is accepted by individuals and society engaged in an organisation. Yes, it is not that O.B. is not normative at all. In fact, organizational behaviour is normative as well that is well underscored by the proliferation of management theories.

1.4.5.A Humanistic and Optimistic Approach

Organisational Behaviour applies humanistic approach towards people working in the organisation. It, deals with the thinking and feeling of human beings. organizational behaviour is based on the belief that people have an innate desire to be independent, creative and productive. It also realizes that people working in the organisation can and will actualize these potentials if they are given proper conditions and environment. Environment affects performance or workers working in an organisation.

Organisational behaviour is not a discipline in the usual sense of the term, but rather an eclectic field of study that integrates the behaviour sciences into the study of human behaviour within organisations. Organisational behaviour is a young field of inquiry, in terms of the use of scientific techniques. To learn that human behaviour in organisations is not an exact science is in itself a significant realization. One of the failings of the scientific management movement was it belief that human behaviour was easily predicted. So while the field of organisational behaviour may be inexact, it is realistic.
Organisational behaviour is neither a purely scientific area of inquiry nor a strictly intellectual endeavor, it involves the study of abstract ideas, such as valance and expectancy in motivation, as well as the study of concrete matters, such as observable behaviours and physiological symptoms of distress at work. Therefore, learning about organisational behaviour is a multidimensional activity as shown in Figure 1 bellow.



Figure 1. Learning about organisational behaviour

1.4.6. Mastery of basic objective knowledge: Objective knowledge, in any field of study, is developed through basic and applied research. Acquiring objective knowledge requires the cognitive mastery of theories, conceptual models, and research findings.
1.4.7. Skill Development

The study of organisational behaviour requires skill development and the mastery of abilities essential to successful functioning in organisations.The essential skills identified by the U.S Department of labour are:

a. Resource management skills, such as time management

b. Information management skills such as team work

c. Personal interaction skills such as team work

d. Systems behaviour and performance skills, such as cause-effect relations

c. Technology utilization skills, such as trouble shooting.

Many of these skills, such as decisions -making and information management, are directly related to the study of organization behaviour. Developing skills is different from acquiring objective knowledge in that it requires structured practice and feedback.

1.4.8. Application of Knowledge and Skills

It requires the integration of objective knowledge and skill development in order to apply both appropriately in specific organisational settings.

1.5 ORGANISATIONAL BEHAVIOUR -FRAMEWORK

1.5.1. Theoretical frame work of organizational behavior

Initially psychology was developed using the mental thinking expressed by persons interested in developing the subject of psychology. But John B. Watson differed from that approach and he pioneered the approach in which visible behavior and visible environmental stimulus became the subject of study. B.F. Skinner developed this behaviouristic framework further by bringing in the contingent environmental consequences. Behaviour is not the outcome of stimulus alone, but it is an outcome determined by the stimulus as well as the contingent environmental consequences of a behaviour. This means, there are alternative behaviours for the same stimulus and which behaviour is exhibited by a person depends on expected environmental consequences. OrganisationalBehaviour is extremely a complex discipline in management that involves numerous inputs and dimensions. An overall model of OB can be developed by making use of cognitive, behaviouristic and environmental consequences.

1.5.2. Cognitive framework

Cognitive approach emphasizes the positive and freewill aspects of human behaviour and uses concepts such as expectancy, demand, and intention. Cognition can be simply defined as the act of knowing an item of information. In cognitive framework, cognitions precede behavior and constitute input into the person's thinking, perception, problem solving, and information processing. The work of Edward Tolman can be used to represent the cognitive theoretical approach. According to Tolman, learning consists of the expectancy that a particular event will lead to a particular consequence. This cognitive concept of expectancy implies that organism is thinking about, or is conscious or aware of the goal and result of a behaviour exhibited by it. It

means that a person desires a goal and also knows the behavior that will lead to achievement of the goals. In the subject of organisational behaviour, cognitive approach dominates the units of analysis such as perception, personality and attitudes, motivation, behavioural decision making and goal setting.

1.5.3. Behavioristic framework

Pioneer behaviorists Ivan Pavlov and Jon B. Watson stressed the importance of studying observable behaviors instead of the elusive mind. They advocated that behaviour could be best understood in terms of stimulus and response (S-R). They examined the impact of stimulus and felt that learning occurred when the S-R connection was made. Modern behaviourism, that marks its beginning with B.F. Skinner, advocates that behavior in response to a stimulus is contingent on environmental consequences. Thus, it is important to note that behaviourtistic approach is based on observable behavior and environmental variables (which are also observable).Skinner believes that behaviour function of its consequences. For Eg; an organisation passes a circular to the employees asking them to stay longer in order to increase the production to meet the increasing demand. Here, the circular is the stimulus. The employees may increase the production. This is the response. If the increase in productivity is rewarded, it is the consequences. Skinner explained that certain behaviour can be expected from an individual by creating a positive consequences desired by him.

1.5.4. Social cognitive framework

Social learning theory takes the position that behaviour can best be explained in terms of a continuous reciprocal interaction among cognitive, behavioural, and environmental determinants. The person and the environmental situation do not function as independent units but, in conjunction with behaviour itself, reciprocally interact to determine behaviour. It means that cognitive variables and environmental variables are relevant, but the experiences generated by previous behaviour also partly determine what a person becomes and can do, which, in turn, affects subsequently behaviour. A persons cognition or understanding changes according to the experience of consequences of past behaviour.Bandura developed social learning theory into the more comprehensive social cognitive theory (SCT). Stajkovic and Luthans have translated this SCT into the theoretical framework for organisational behaviour. Social cognitive theory recognizes the importance of behaviourism's contingent environmental consequences, but also includes cognitive processes of self-regulation. The social part acknowledges the social origins of much of human thought and action (what individual learns from society), whereas the cognitive portion recognizes the influential contribution of thought processes to human motivation, attitudes, and action. In social cognitive theoretical framework, organisational participants are at the same time both products and producers of their personality, respective environments, and behaviours. The participants as a group of produce the environment, every individual is a product of the environment and through his behaviour changes the environment for others as well as for himself, every individual is a product of his personality, but also influences his personality as consequence of results of his behaviour. Bandura identified five basic human capabilities as a part of SCT. 1. Symbolizing: People process visual experiences into cognitive models. They help in future action. 2.Forethought: Employees plan their actions. 3. Observational: Employees learn by observing the performance of the referent group (peers,

supervisors and high performers) and the consequences of their actions. 4. Self-regulatory: Employees self-regulate their actions by setting internal standards (aspired level of performance). 5. Self-reflective: Employees reflect back on their actions (how did I do?) and perceptually determine how they believe then can successfully accomplish the task in the future given the context (probability of success between 0 to 100% is estimated).

1.6. MODELS OF ORGANISATIONAISATIONAL BEHAVIOUR

Models are the techniques which help us to understand complex things and ideas in a clear manner.

Models are frameworks or possible explanations why do people behave as they do at work. There are so many models as many are organizations. Varying results across the organisations are substantially caused by differences in the models of organisational behaviour. All the models of organisational behaviour are broadly classified into four types: autocratic, custodial, supportive and collegial. We discuss these four models beginning with the autocratic. O.B. is the study of human behavior in organizations, the interface between human behaviour and the organisation and the organization itself.

Since the dawn of industrial revolution, four models of organisational behavior have been followed by managers of different organizations at different times. These are autocratic, custodial, supportive and collegial.

1.6.1 The Autocratic Model

The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need that is met is subsistence. The performance result is minimal.

In case of an autocratic model, the managerial orientation is doctorial. The managers exercise their commands over employees. The managers give orders and the employees have to obey the orders. Thus, the employees' orientation towards the managers/bosses is obedience. Under autocratic conditions, employees give higher performance either because of their achievement drive or their personal liking to the boss or because of some other factor.

Evidences such as the industrial civilization of the United States and organizational crises do suggest that the autocratic model produced results. However, its principal weakness is its high human cost. The combination of emerging knowledge about the needs of the employees and ever changing societal values and norms suggested managers to adopt alternative and better ways to manage people at work. This gave genesis to the second type of models or organizational behavior.

1.6.2. The Custodial Model

The basis of this model is economic resources with a managerial orientation of money. The employees in turn are oriented towards security and benefits and dependence on the organization. The employee need that is met is security. The performance result is passive cooperation.

While studying the employees, the managers realized and recognized that although the employees managed under autocratic style do not talk back to their boss they certainly think back about the system. Such employees filled with frustration and aggression vent them on their co-workers, families and neighbors. This made the managers think how to develop better employee satisfaction and security. It was realized that this can be done by dispelling employees' insecurities, frustration and aggression. This called for introduction of welfare programmers to satisfy security needs of employees. Provision for an onsite day-care centre for quality child care is an example of welfare programme meant for employees. Welfare programmes lead to employee dependence on the organization. Stating more accurately, employees having dependence on organization may not afford to quit even there seem greener pastures around. The welfare programmes for employees started by the Indira Gandhi National Open University (IGNOU), New Delhi are worth citing in this context, IGNOU, in the beginning provided its employees facilities like house-lease facility, subsidized transport facility, day-time child care center in the campus, etc. These made employees dependent on IGNOU which, in turn, became custodian of its employees.

The basis of this model is partnership with a managerial orientation of teamwork. The employees in turn are oriented towards responsible behavior and self-discipline.

Although the custodian approach brings security and satisfaction, it suffers from certain flaws also. Employees produce anywhere near their capacities. They are also not motivated to increase their capacities of which they are capable. Though the employees are satisfied, still they do not feel motivated or fulfilled in their work they do. This is in conformity with the research finding that the happy employees are not necessarily most productive employees. Consequently managers and researchers started to address yet another question. "Is there better approach/way to manage people?" The quest for a better way provided a foundation for evolvement to the supportive type of model of organizational behavior.

1.6.3. The Supportive Model

The basis of this model is leadership with a managerial orientation of support. The employees in turn are oriented towards job performance and participation. The employee need that is met is status and recognition. The performance result is awakened drives.

The supportive model is founded on leadership, not on money or authority. In fact, it is the managerial leadership style that provides an atmosphere to help employees grow and accomplish their tasks successfully. The managers recognize that the workers are not by nature passive and disinterested to organizational needs, but they are made so by an inappropriate leadership style. The managers believe that given due and appropriate changes, the workers become ready to share responsibility, develop a drive to contribute their mite and improve themselves. Thus,

under supportive approach, the management's orientation is to support the employee's job performance for meeting both organizational and individual goals.

However, the supportive model of organizational behavior is found more useful and effective in developed nations and less effective in developing nations like ours because of employee's more awakening in the former and less one in the latter nations.

1.6.4. The Collegial Model

The collegial model is an extension of the supportive model. As the literal meaning of the work 'college' means a group of persons having the common purpose, the collegial model relates to a team work/concept. The basic foundation of the collegial model lies on management's building a feeling of partnership with employee. Under collegial approach, employees feel needed and useful. They consider managers as joint contributors to organizational success rather than as bosses.

Its greatest benefit is that the employee becomes self-discipline. Feeling responsible backed by self-discipline creates a feeling of team work just like what the members of a football team feel. The research studies report that compared to traditional management model, the more open, participative, collegial managerial approach produced improved results in situations where it is appropriate.

Although there are four separate models, almost no organization operates exclusively in one. There will usually be a predominate one, with one or more areas overlapping in the other models.

The first model, autocratic, had its roots in the industrial revolution. The managers of this type of organization operate out of McGregor's Theory X. The next three models begin to build on McGregor's Theory Y. They have each evolved over a period of time and there is no one "best" model. The collegial model should not be thought as the last or best model, but the beginning of a new model or paradigm.

The sum and substances of these four models of organizational behaviour are summarized in

TABLE 1.
Models of Organisational Behaviour

Model	**Autocratic**	**Custodial**	**Supportive**	**Collegial**

Basis of Model	Power	Economic resources	Leadership	Partnership
Managerial orientation	Authority	Money	Support	Teamwork
Employee orientation	Obedience	Security and benefits	Job performance	Responsible behaviour
Employee psychological result	Dependence on boss	Dependence on organization	Participation	Self – discipline
Employee needs met	Subsistence	Security	Status and recognition	Self – actualization
Performance result	Minimum	Passive co-operation	Awakened drives	Moderate enthusiasm

1.7 SUMMARY

Organisational behaviour is the systematic study of the actions and attitudes that people exhibit within organisations. It is individual behaviour and group dynamics in organisations. Stephen P Robbins defined Organisational behaviour as "a field of the study that investigates the impact of individuals, groups and structures on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness".Organisational behaviour is neither a purely scientific area of inquiry nor a strictly intellectual endeavor, it involves the study of abstract ideas, such as valance and expectancy in motivation, as well as the study of concrete matters, such as observable behaviours and physiological symptoms of distress at work. OrganisationalBehaviour is extremely a complex discipline in management that involves numerous inputs and dimensions. An overall model of Organisational Behaviour can be developed by making use of cognitive, behaviouristic and environmental consequences. Since the dawn of industrial revolution, four models of organisational behaviour have been followed by managers of different organisations at different times. These are autocratic, custodial, supportive and collegial.

1.8 KEYWORDS

Organisational Behaviour
Human Behaviour
Complex Discipline

1.9. Check your progress questions

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1. Highlight the importance of organisational behaviour.
2. Explain the scope of organisational behaviour

1.10. LESSON END ACTIVITY

Why do you think the subject organisational behaviour is important to study the behaviour of employees?

1.11. QUESTIONS FOR DISCUSSION

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1. Define organisational behaviour
2. How organisational behaviour emerged as a separate field of study?
3. Explain the models of organisational behaviour

1.12. SUGGESTED READINGS

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UNIT II- INDIVIDUAL BEHAVIOUR

2.0 AIMS AND OBJECTIVES

This lesson is intended to introduce the students about the individual behaviour. After studying this lesson you will be able to:

- Understand what we mean by individual behaviour
- To understand the types and factors influencing personality
- Describe the theories of personality
- Understand the learning process

2.1. INTRODUCTION

Human Beings are unique and so are their behaviours. We need to study Human Behaviour based on certain scientific theories and observations.Behaviours and Motivation are significant indicators of individual effectiveness in organisations. Individual Behaviours are shaped by many factors like age, gender, marital status, biographical characteristics, etc.Higher mental processes like cognition, logical reasoning, etc. contribute significantly in understanding the patterns of human behaviour.When we talk about personality ,we don't mean a person has charm ,a positive attitude towards life, a smiling face,or has won the "miss world"context.When psychologists talk of personality ,they mean a dynamic concept describing the growth and development of a persons whole psychological system.personality is an individual difference that lends consistency to a person's behaviour.personality is defined as a relatively stable set of characteristics that influence an individuals behaviour.For our purposes , you should think of personality as the sum total of ways in which an individual reacts and interacts with others. This is most often described in terms of measurable personality traits that a person exhibits.

2.1.1. INDIVIDUAL BEHAVIOUR

Human behaviour is complex and every individual is different from another, the challenge of an effective organisation is in successfully matching the task, the manager and the subordinate. Under ideal situation, a manager would first analyze the task, then determine the required skills and assemble a team that complement each other skills; thereby creating an enriching & conflict free team. In reality, a manager has to use the existing resources for a given task, and must have the ability to understand the differences in individual behaviours and use them appropriately to

increase the synergy. In order to understand individual behavior and personalities, it is important to understand the basics of human cognition. Integrated human behaviour model of human behaviour which explains the process that produces the individual differences.

Cognition is the thought process in humans that describes how the information we constantly acquire is transformed, stored and used as knowledge in future decision making. It includes a wide range of mental processes like visual imagery, language, problem solving, decision making etc. The brain receives the stimuli from the external environment through the sense, which is immediately registered in our sensory memory, which is large but keeps the information for few seconds only. The observation process tries to match the information in the sensory memory with the previous knowledge and creates a perception of the stimuli, thereby abstracting useful information from the sensory memory. This abstracted information then passes to the short-term memory or the working memory, which also caches the related knowledge from the long-term memory. The short-term memory has slightly longer latency than the sensory memory, it is needed only till the reaction of the stimuli. The long term memory has enormous capacity and is the primary knowledge base. The stimuli demands some action (even the decision to ignore the stimuli is an action), the perceived stimuli combined with a set of related and abstracted experiences forms the initial input to the mind's analytical process. This input is also influenced by the emotional and rational factors which in turn depend upon individual's values and beliefs. The other two important parameters are the desired outcome and the required response time to the stimuli. At the center of the analytical mind is a myriad of cognitive processes that operate sequentially or in parallel, in complex permutations in order to satisfy these primary constraints. The consequence of this entire cognitive activity is a response to the environmental stimuli, which is the observed as the behavior of the individual. Person's thought process is an internal activity while the behavior can be observed. Finally, the resulting behavior is feed backed into the memory; it modifies the existing perceptual knowledge, seeds a new one or the stimuli and its response is simply ignored.

Dimensions of cognitive psychology

The cognition can be characterized by considering the process itself and its robustness. At a higher level of abstraction, the thinking can be characterized as rational or emotional, while its robustness is determined by its stability.

Rational Vs Emotional Thinking

Rational thinking is a response based on process of logical reasoning; it involves some form of mathematical or statistical knowledge where the process has implicit proof of its validity. Attribution is one of the rational processes that involve determining the reason or cause of an observed behavior. Emotional thinking is a response based on how a person feels about the object in question. Neurologically, emotions follow a short cut pathway to limbic response, bypassing the other cognitive thought processes. It can be considered as most primitive response when dealing with incomplete and uncertain sensory data. However, emotions have considerable

influence on decision making and other cognitive processes even with existence of alternate rational reasons. Emotions do bootstrap into prior emotional responses and it depends upon a person's belief and values.

Stable Vs Evolving Experiences

Every stimuli creates a response which is stored in the long-term memory, repetition of the same stimuli over a period of time, hard wires the response. These patterns of stimuli and response form a stable section of our cognitive processes, thus as the person ages, more and more responses get hard-wired. On the other hand, stimuli that have little or no previously recorded responses are in the evolutionary stage, the response might change depending upon the cumulative degree of success of the previous responses.

Factors Influencing Individual Behavior

Abilities

Abilities of a person are the natural or learnt traits. Abilities can be classified into mental and physical abilities and different task requires different level of the two. Mental abilities represent the intelligence, person's deductive reasoning, and memory, analytical and verbal comprehension. Physical abilities include muscular strength, stamina, body coordination and motor skills. An individual's self-awareness of his own abilities determines how he feels about the task, while the manager's perception of his abilities determines the kind of task he assigns to the individual. **Gender**

Although, research concludes that men and women are equal in their mental abilities and job performance, society does emphasize differences. However, absenteeism is one area where differences are found and can be attributed to being primary caregiver to children. However, this creates a difference in self perception of one's abilities, personal values and social behavior. Similarly, a manager's personal values might influence how he considers gender as factor in his task assignment and evaluation.

Race

Race and culture exert significant influence when both workplace and society have considerable diversity. Stereotyping and attributing behavior based on race and culture are common mistakes that influence individual behavior. It is important for both management and the staff of diverse workforce to learn about different cultures, their values, common artifacts and communication protocols. This would create a more comfortable corporate culture and would subdue behaviors that might be perceived as insensitive and offensive.

Perception

Perception is the basic cognitive process that transforms sensory stimuli into meaningful information. Most real life problems are multidimensional and the rational approach is often entwined with the gut feeling, resulting in individual perception. This quells the famous notion that reality is objective and thus everyone must perceive it the same way. Both managers and subordinates must recognize that perceptual differences exist and often are the reason for mutual dissatisfaction.

Stereotyping: It is categorization of individuals on basis of single attribute, it ends up creating a generalized and simplified belief that do not take into account other significant characteristics. Age, race and sex are the three most common basis of stereotyping; not only they are unethical but can cost missing resources. In general, stereotyping leads to decisions that are based on inaccurate data that can result in unfair performance evaluations, job design or promotion.

Selective Perception: It is the process of selecting only the information that supports our pre-existing belief system, thereby eliminating the discomforting information. Selective perception acts like a catalyst to stereotyping because people tend to notice things that fit their existing notion and not notice things that don't. Both stereotyping and selective perception can be beneficial only by chance since they are based on partial information. The specific situations in which they can be positively exploited cannot be used as reliable methods.

Attribution

Attribution is the process of observing behavior and then determining its cause based on individual's personality or situation. Attribution based on personality is due to internal causes and is termed as dispositional attribution. It includes personality traits like shyness, arrogance, intelligence, etc. Attribution based on external influences and situations that are outside the control of individual are termed as situational attribution. The basic attribution framework uses three criteria mentioned below.

Consensus: It is the extent to which other people in the same situation might respond similarly. When behavior is attributed to consensus, the individual is not rewarded or penalized due his personality.

Distinctiveness: It is the extent to which the individual's behavior can be attributed to situations or to his personality. If the person behaves the same way in seemingly different situations, then his behavior will be attributed to his personality.

Consistency: It is the measure of the frequency of the observed behavior, how often does the behavior occurs? High consistency is linked to dispositional attribution while low consistency is linked to situational attribution.

Attitude

An attitude is the abstract learnt response of an individual's entire cognitive process over a period of time. It is experienced as a quick response to a familiar situation without any deep reasoning; it forms the basis of biases and attribution errors. As an example, an individual who has worked in various organizations might develop an attitude of indifference towards organizational citizenship.

2.2. PERSONALITY

2.2.1. Definition of personality

Though psychologist and social scientists unanimously agree to the importance of personality, they are unable to come out with a unanimous definition. Many authorities on the subject have defined personality in different ways. Some of the definitions are reproduced below:

Floyd L Ruch in his definition. He states that:
"the human personality includes:
i.External appearance and behaviour or social stimulus value
ii.Inner awareness of self as a permanent organizing force
iii. The particular pattern or organisation of measurable traits ,both "inner" and "outer".
Gordon Allport gave the most frequently used definition of personality nearly 70 years ago.He said personality is the dynamic organisation within the individual of those psychophysical systems that determine his unique adjustments to his environments."

2.3. TYPES OF PERSONALITY IN ORGANIZATION

There are several personality types of people in an organization that can dictate the behavior of individuals. By figuring out how these personality types fit into the culture of the organization, people can gain insight into how well the individuals themselves may fit into the organizational structure. If there is a high level of dissimilarity among the personalities of the employees and the culture of the organization, communication, cooperation and working relationships can suffer to the detriment of the organization as a whole.

2.3.1. Extrovert Personality

The extrovert is a friendly person who is quick to establish relationships with others. Extroverts are gregarious and display a high level of social engagement. They enjoy being with people and like to be in the company of large groups. Extroverts are active and tend to get involved in many activities. At the opposite end of the spectrum, people with low levels of

extroversion feel a greater desire for privacy, avoid large group situations and generally live a more leisurely life.

2.3.2. Agreeable Personality

The agreeable person can cooperate well with other people by putting aside personal needs while getting along with peers. These people trust others and rely on their integrity, character and abilities. Often the agreeable personality feels the need to help other people, and can derive fulfillment by offering support.

2.3.3. Conscientious Personality

Conscientious people exude confidence and feel capable of accomplishing goals. They may be overachievers who want to be viewed as successful.

2.3.4. Cautious Personality

Cautious people will look at problems from every angle before acting or making a decision, while those who are not cautious often act or speak before they think things through.

2.3.5. Self-Conscious Personality

Self-conscious people are highly sensitive to what others think and say about them. They dislike criticism and are sensitive to rejection, while those who are not all that self-conscious are not bothered by being judged by other people.

2.3.6. Adventurous Personality

People with an adventurous personality seek out new experiences and dislike routine. They may be unafraid to challenge authority and conventions, while those who are less adventurous may have traditional values and prefer security over adventurousness. Those with an adventurous personality enjoy having power and may be more amenable to taking risks.

2.4. FACTORS INFLUENCING PERSONALITY

Personality can be termed as the combination of qualities – mental, physical, and moral that sets one part from others. Having a strong personality is the key to success. This is also a key determinant of good leadership. A good personality enables one to establish self-control and self-direction to discover the reality off freedom of choice. A person with a positive attitude can direct his thoughts, control his emotions and regulate his attitude.

In order to have a good personality, self-development is needed. An executive's self is the sum total of all that he can call his own. Self is something of which he is aware of. The self-concept

which an executive brings to his job is the amalgamation of many things, his perception towards his parents, the rules he has learnt, the impressions he carries about his peers, the record of success and failure, and the idea of what rewards he deserves.

The self-development process transforms from dependence to self-direction, from impulsiveness to self-discipline, from ignorance to knowledge, from incompetence to competence from immorality to morality and from self-centered to concern for self and others. Developing and bearing a sound personality is a changing process.

The personality can be broadly classified into two groups – sick personality and healthy personality.

The sick personality is also known as disturbed or peculiar personality. Sick personality can be the consequence of physical and/or psychological factors. These factors may or may not be in the control of the person. Some of these factors can be troubled childhood, repeated failures, lack of motivation, rejections, distrust of the parents and peers etc. The person himself has to assume a greater responsibility for following a prescribed pattern and pulling himself out of this situation.

Healthy personality is an image of a person who does not feel anxious or hostile, is not self-defeated or destructive to others. People with healthy personalities are judged to be well adjusted. Apart from a good physical health, some other characteristics and features are necessary for an individual in order to have a positive, strong, and balanced personality. Such a personality helps an executive to influence other people in his favor.

The major determinants of personality of an individual can be studied under four broad heads – biological, social, cultural, family and situational.

2.4.1. Biological factors:

The foremost determinant of personality is the biological factor, in which are included heredity, the brain and the physical stature. Psychologists and geneticists argue strongly that heredity plays an important role in one's personality. The importance of heredity varies from one personality trait to another. For example, heredity plays a more important role in determining a person's temperament than determining the values and ideals.

Another factor which influences the personality is the brain of the individual.

Perhaps, physical stature of an individual is the most outstanding influence on the personality of an individual. For example, the fact that a person is short or tall, fat or skinny, good looking or not, will influence others and in turn will affect the person himself.

2.4.2. Social Factors

When an individual interact with other persons in his/her group give and take relationship takes place and it affects the personality of an individual social factors of personality are responsible

for the formation of personality, when an individual has group experience and contact with others personality of an individual is influenced by others may be bad or good but depends on the association in which he/she keeps. In a society every person plays a specific role and status.

For example in our society younger are expected to be respectful for elders. Many other social factors like environment, group life, family, media with which an individual interact in his/her society daily life mold their personalities. We can say that whatever comes in contact with an individual's social life affects personality of that individual and develop good or bad personality.

2.4.3.Cultural Factors

Both material as well as non-material culture affects personality of an individual. An individual living in his/her culture adopts the traits consciously or unconsciously and acts accordingly. Culture of any society determines the behaviors and personality of an individual and he/she is expected to act according to the culture. A person follows all the social norms of a culture which results in the formation of good personality while non-conformity to the cultural rules develops abnormal or bad personality. So, the culture in which an individual seeks satisfaction adjusts himself/herself and develops personality.

2.4.4. Family factors:

Family and social factors are also important in giving the shape to an individual's personality. It initially starts with contact with the mother and later with other members of the family. Later still, the contact with social group influences an individual's personality. The personality of an individual is also influenced by the home environment. There is evidence to indicate that the overall environment at home created by parents is critical to personality development.

Apart from the family background, social class also leaves an imprint on the personality of an individual.

2.4.5 Situational Factors:

Situational factors also influence the human personality. The effect of environment on personality is quite strong. Knowledge skill and language are acquired by a person and can be termed as learned modifications of behavior.

These learned modifications cannot be passed on to the children. The children in turn must acquire them through their personal effort, experience and the interaction with the environment.

Many a times the actions of the person are determined more by the situation, rather than his behavior. Therefore, the situation may potentially have a very big impact on the actions and expressions.

2.5. THEORIES OF PERSONALITY

Trait theories

Intrapsychic Theory

Based on the work of Sigmund Freud, intrapsychic theory emphasises the unconscious determinants of behaviour.

The components of personality

Freud proposed a new conception of the personality, one that contains three systems -the id, the ego, and the superego. These systems do not exist physically: they are only concepts, or ways of looking at personality.

The Id

- The id is the only component of personality that is present from birth.
- This aspect of personality is entirely unconscious and includes the instinctive and primitive behaviors.
- According to Freud, the id is the source of all psychic energy, making it the primary component of personality.

The id is driven by the pleasure principle, which strives for immediate gratification of all desires, wants, and needs. If these needs are not satisfied immediately, the result is a state anxiety or tension. For example, an increase in hunger or thirst should produce an immediate attempt to eat or drink.

The id is very important early in life because it ensures that an infant's needs are met. If the infant is hungry or uncomfortable, he or she will cry until the demands of the id are satisfied. Because young infants are ruled entirely by the id, there is no reasoning with them when these needs demand satisfaction. Imagine trying to convince a baby to wait until lunchtime to eat his meal. Instead, the id requires immediate satisfaction, and because the other components of personality are not yet present, the infant will cry until these needs are fulfilled.

However, immediately fulfilling these needs is not always realistic or even possible. If we were ruled entirely by the pleasure principle, we might find ourselves grabbing the things that we want out of other people's hands to satisfy our own cravings.

This sort of behavior would be both disruptive and socially unacceptable. According to Freud, the id tries to resolve the tension created by the pleasure principle through the use of primary process thinking, which involves forming a mental image of the desired object as a way of satisfying the need.

Although people eventually learn to control the id, this part of personality remains the same infantile, primal force all throughout life. It is the development of the ego and the superego that allows people to control the id's basic instincts and act in ways that are both realistic and socially acceptable.

The Ego

- The ego is the component of personality that is responsible for dealing with reality.
- According to Freud, the ego develops from the id and ensures that the impulses of the id can be expressed in a manner acceptable in the real world.
- The ego functions in both the conscious, preconscious, and unconscious mind.

The ego operates based on the reality principle, which strives to satisfy the id's desires in realistic and socially appropriate ways. The reality principle weighs the costs and benefits of an action before deciding to act upon or abandon impulses. In many cases, the id's impulses can be satisfied through a process of delayed gratification—the ego will eventually allow the behavior, but only in the appropriate time and place.

Freud compared the id to a horse and the ego to the horse's rider. The horse provides the power and motion, yet the rider provides direction and guidance. Without its rider, the horse may simply wander wherever it wished and do whatever it pleased. The rider instead gives the horse directions and commands to guide it in the direction he or she wishes to go.

The ego also discharges tension created by unmet impulses through the us of secondary process thinking, in which the ego tries to find an object in the real world that matches the mental image created by the id's primary process.

For example, imagine that you are stuck in a long meeting at work. You find yourself growing increasingly hungry as the meeting drags on. While the id might compel you to jump up from your seat and rush to the break room for a snack, the ego guides you to sit quietly and wait for the meeting to end. Instead of acting upon the primal urges of the id, you spend the rest of the meeting imagining yourself eating a cheeseburger. Once the meeting is finally over, you can seek out the object you were imagining and satisfy the demands of the id in a realistic and appropriate manner.

The Superego

The last component of personality to develop is the superego.

- The superego is the aspect of personality that holds all of our internalized moral standards and ideals that we acquire from both parents and society—our sense of right and wrong.
- The superego provides guidelines for making judgments.
- According to Freud, the superego begins to emerge at around age five.

There are two parts of the superego:

1. The ego ideal includes the rules and standards for behaviors that the ego aspires to.

2. The conscience includes information about things that are viewed as bad by parents and society. These behaviors are often forbidden and lead to bad consequences, punishments, or feelings of guilt and remorse.

The superego acts to perfect and civilize our behavior. It works to suppress all unacceptable urges of the id and struggles to make the ego act upon idealistic standards rather that upon realistic principles. The superego is present in the conscious, preconscious, and unconscious.

The Interaction of the Id, Ego, and Superego

When talking about the id, the ego, and the superego, it is important to remember that these are not three totally separate entities with clearly defined boundaries. These aspects of personality are dynamic and always interacting with a person to influence an individual's overall personality and behavior.

With so many competing forces, it is easy to see how conflict might arise between the id, ego, and superego. Freud used the term ego strength to refer to the ego's ability to function despite these dueling forces. A person with good ego strength is able to effectively manage these pressures, while those with too much or too little ego strength can become too unyielding or too disrupting.

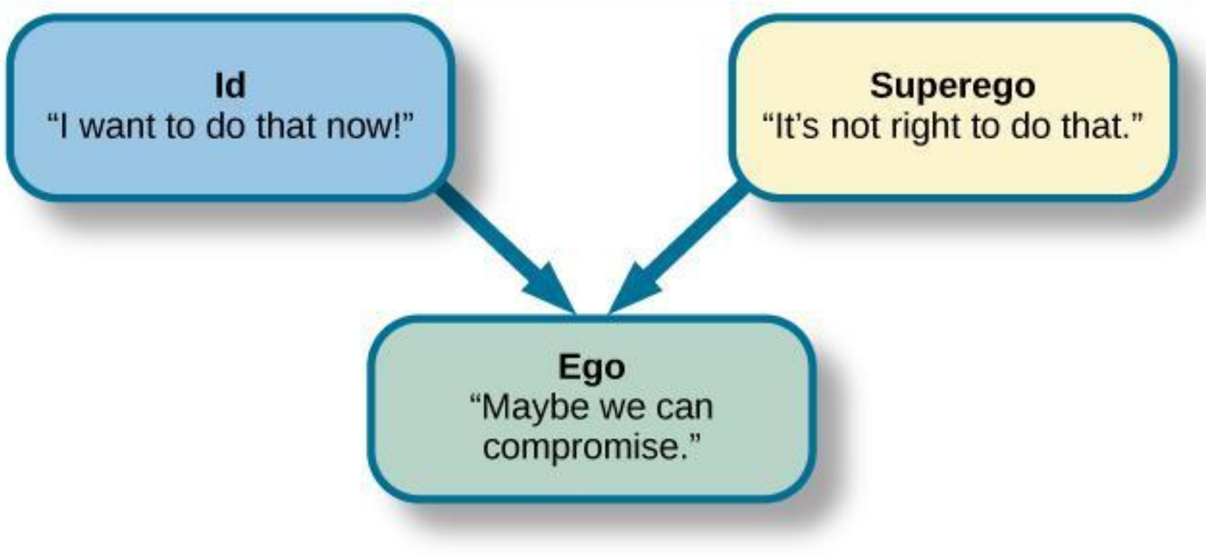


Figure .2 – Freud's conception of the personality

2.6. LEARNING

Learning can be defined as the permanent change in behavior due to direct and indirect experience. It means change in behavior, attitude due to education and training, practice and experience. It is completed by acquisition of knowledge and skills, which are relatively permanent.

2.7. LEARNING PROCESS IN ORGANISATIONAL BEHAVIOUR

Learning is a process of acquiring skills, knowledge, attitude and behavior. It takes following four stages.

2.7.1. Stimulus

In learning process, there should be stimulus to the learner. Stimulus is the source of motivation or incentives. Learner should be clear about stimulus. There will be no learning takes place if there is no stimulus or learner has not understood the stimulus. Such stimulus can be -

- expansion of knowledge, skills and abilities,
- improving quality of work life,
- productivity and profitability,
- effectiveness,
- career advancement,
- financial and non-financial rewards.

2.7.2. Response

Response is the reaction of learner towards the stimulus. This means, response in learning process is the outcome of first step. To take place the learning, learner should have positive response. Only if learner is convinced for positive changes in behavior, s/he responds positive otherwise negative response. Thus, organization management must encourage employees for learning with ensuring the rewards. Employees should be allowed and encouraged to practice the performance response.

2.7.3. Motivation

Motivation is the drive to encourage individual to learn. Without drive or motivation, learning cannot take place. This provides interest and attitude to learn. Whatever learning and understanding ability of the person, without motivation, none of the person can learn.

2.7.4. Rewards

Rewards are incentives satisfying the motive. There should be proper reward system in learning process. It should be transparent and predictive. Employees should know what will be their return or rewards when they learn at different levels. For examples, praise is the incentive which

satisfies the motive of social approval. Salary increment is the incentive which satisfies the motive of financial security. Rewards can be financial as well as non-financial.

2.8. THEORIES OF LEARNING

2.8.1. Classical Conditioning theory

Classical conditioning theory is developed by Ivan P. Pavlov (1849-1936), Russian physiologist in the early 1900s. This is called classical because this is the first theory in the area of learning. Pavlov was trying to discover the fact regarding digestive system but he obtained the theory of learning. Later than, he worked out to uncover and establish underlying principles of classical conditioning. Classical conditioning theory has introduced a simple cause and effect relationship between stimulus and response. This theory states that learning a conditioned response involves association between conditioned stimulus and unconditioned stimulus. It explains simple reflexive behavior which is unlearned behavior.

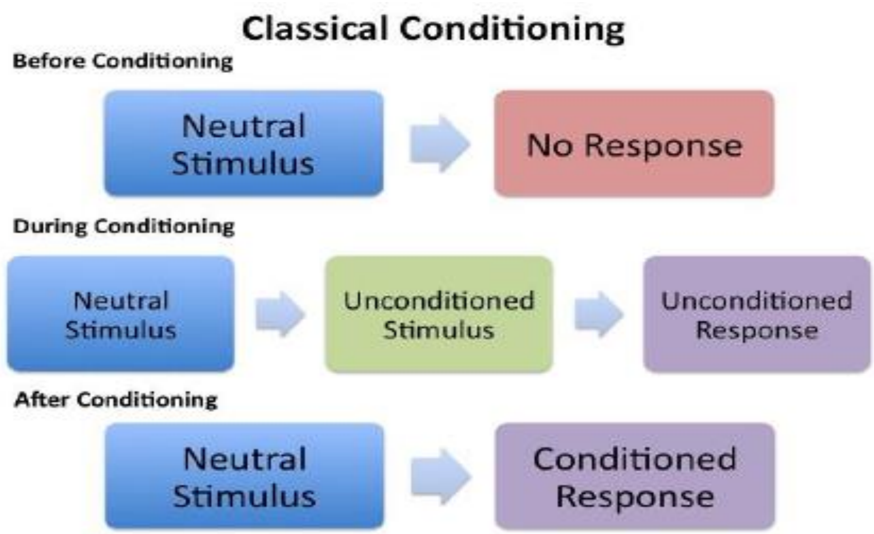


Figure:4 Classical Conditioning

Pavlov Experiment with dog

Pavlov established this theory through findings of the experiment with dog. Pavlov presented piece of meat to dog. He noticed salivation in dog and the salivation is increased noticeably. He later, rang the bell without meat but the dog did not salivate. This means ringing bell did not stimulate for salivation. He then, linked ringing bell and serving meat of piece repeatedly. Dog repeatedly heard the bell just getting meat. Dog learnt that when the bell rings he will get meat. Thus, whenever dog hears ringing bell, starts salivating. Later, Pavlov stopped providing meat, but dog salivation on ringing bell. Pavlov described this phenomenon i.e. dog responded with ringing bell. The dog had learned an association between ringing bell and the food. In conclusion, this learning is conditional response involves association between conditioned stimulus (bell), unconditioned stimulus (food), and unconditioned response (salivation).

Unconditioned stimulus (UCS) in the theory represents the particular motivator or trigger to respond automatically or naturally without previous learning. For example, with we talk or see

sour food or delicious food, salivation starts through it was not learned. Here sour or delicious food is unconditioned stimulus.
Unconditioned response (UCR) represents the act or output of unconditioned stimulus. Here, salivating is unconditioned response.

Conditioned stimulus (CS) is a motivating situation caused by unconditioned stimulus. Conditioned stimulus does not emerge automatically as unconditioned stimulus.

Contributions and limitations of classical conditioning

Classical conditioning theory is simple explanation of relation between stimulus and response. This explains that for learned behavior, there should be motivating factor (stimulus). It also makes the reflective or involuntary after the stimulus-response relationship has been established. In many situation, this theory explains the human behaviors.
But, this theory has some important limitations as well. Some of the limitations are as follows:

- Human behavior and behavior of dogs cannot be similar.
- Behavioral environment in organizations is complex in comparison to the experiment conducted by Pavlov.
- It does not provide significant part of total human learning.
- It explains the passive approach.
- Decision making process is complex in nature. Thus, simple conditioning cannot always work.

2.8.2. Operant Conditioning Theory

Operant conditioning theory or model is developed by B.F. Skinner (1904-1990), a psychologist. Skinner suggested that learning of complex human behaviors can be explained or better understood with the help of operant conditioning. Operant conditions are explained for voluntary behaviors. Voluntary behaviors have some influence on the environment or they operate in the environment. Thus, the word operant is coined with operate. This theory can be used to explain complex human behavior.
Operant conditioning theory states that behavior is function of its consequences. According to this theory, habits can be learnt through reinforcement. After long experiment, Skinner has identified three types of responses or operant that can be follow behavior. He identified neutral operant, reinforcers, and punishers.
Neutral operant is the responses from environment which neither increases nor decreases the changes for repeating the behavior.
Reinforcer is the responses from environment which increases the changes for repeating the behavior. Reinforcer can be positive or negative.
Punisher is the responses from environment which decreases the chances of repeating the behavior. As people do not wish to get punishment, punishment weakens behavior.

Operant conditioning model, also called Behavior Modification is based on Response-Stimulus. People learn to behave to get something they want or to avoid something they don't want. This means, this theory explains that learning involves reinforcement for desired behavior as a central process in learning. Reinforcement strengthens behavior which increases the probability of repeating the behavior whereas punishment weakens the behavior and reduces the probability of repeating behaviour.

Operant conditioning model

This model has following important aspects:

- A stimulus gives rise to a motive (or drive) which in combination with a habit (S-R connection) arouses a particular behavior.
- When the behavior is accompanied by a reward (or reinforcement), it leads to:

  i. satisfaction of the need or motive arousing the behavior (law of effect), and

  ii. strengthening of the habit or S-R connection which enhances the possibility of repetition of behavior when situations are similar and the needs arise.
- Obviously, rewarding a particular habit does not merely strengthen that habit but also weakens alternative habits which were not rewarded.
- A reward strengthening a habit is designated as learning by instrumental conditioning.
- Accordingly, instrumental conditioning can be defined as the learning of a habit or S-R connection through reinforcement or reward.

Experiment of Operant Conditioning

Skinner conducted experiment with rat and pigeon to conclude the operant conditioning theory. In an experiment with rat, he put rat inside a Skinner Box having lever and feeder to serve food. There was provision that when rat pressure lever with its paws, food pellet is delivered from the feeder. The delivery of food is possible only on the response of pressing the lever. The contingently delivered food pellets act to reinforce the lever-pressing response. Rat repeats the behavior if the reinforcement i.e. food serving with lever pressing.

Similarly, Skinner conducted two experiments with pigeon. First experiment was with Cutaway, drawing of an operant chamber for pigeon with key pecking. When the pigeon pecks the key, a food tray comes up to the bottom of the food aperture, and the pigeon is allowed to eat for a few seconds. Here, food is the reinforcer. In the second experiment, the key was managed as translucent panel that can be illuminated perhaps in different colors by the key lights. Food tray was also different than the first. Here, pigeon learns with light when it will be reinforce. In all above experiments, behavior is repeated when there will be repetition of rewards.

Contribution and limitations of operant conditioning theory

This theory is modification in classical conditioning theory as it suggests that the reinforcement helps to repeat the behavior. People learn to behave to get something they want or to avoid something they don't want. This conclusion can importantly be utilized while designing, training and development programs. Redesigning job responsibilities and reward management.

But, in practice, once the respondent gets the stimulus, it will not show the desired behavior. People reflect voluntary behavior which is determined, maintained and controlled by consequences. Human being cannot be fit in Skinner's Box like animal. They can freely interact with external environment. Reinforcement cannot always work positively; it should be given only in correct responses made.

Different between Classical conditioning and Operant conditioning Model

Classical conditioning

- A change in stimulus elicits particular response.
- The strength and frequency of classically conditioned behavior are determined mainly by the frequency of eliciting stimulus.
- The stimulus serving as reward is present every time.
- Responses are fixed to stimulus.

Operant Conditioning

- Stimulus serves as a clue for a person to emit the response.
- The strength and frequency of operant conditioned behaviors are determined mainly by the consequences.
- The reward is presented only if the organism gives the correct response.
- Responses are variable both in types and degrees.

2.8.3Cognitive Mapping Theory

Cognitive mapping theory was established by Edward Tolman (1886-1959), an American psychologist. This theory is primarily based on how events and objects are related to each other. This theory relates two stimuli i.e. describes stimulus-stimulus. Irrespective to classical conditioning and operant conditioning theories, cognitive theory considers the learning as the outcome of deliberate thinking about the problem.

Cognition is the process of acquiring knowledge. Cognitive is the individual's thought, knowledge, level of understanding and interpretation of any event, object or person. This theory states that learning involves a relationship between cognitive cues (hints about how to choose the right way) and expectations. Learning is the outcome of thinking and knowing.

Experiment of cognitive theory

Tolman conducted an experiment with white rat. He first trained rats to run in maze (web) without providing rewards (food). After trained them, he served food as rewards. One day after providing food, the rats are found running faster in this maze. This showed that rats learnt there will be food at the end of race and they used this knowledge in different ways in the following ways. This proves that animals have ability to learn things which they can use later in different ways. This connects cognitive maps in rats.

Tolman explained this phenomenon as individual act on beliefs, as individual act on beliefs, attitudes, changing conditions. They use their knowledge in striving their goals. He believed that individual not only respond to stimuli but does more than responding.

Following conclusion are made from the experiment:

- Rats could learn to run through a complicated maze, with purpose and direction, towards attaining a goal.
- Rats learn to expect that certain cognitive cues are associated with choice points. These cues can eventually lead to rewards.
- Rats, if receive the rewards, the bonding between cue and expectancy can be strengthened and learning takes place.
- Latent learning occurs even when no reinforcement is offered.
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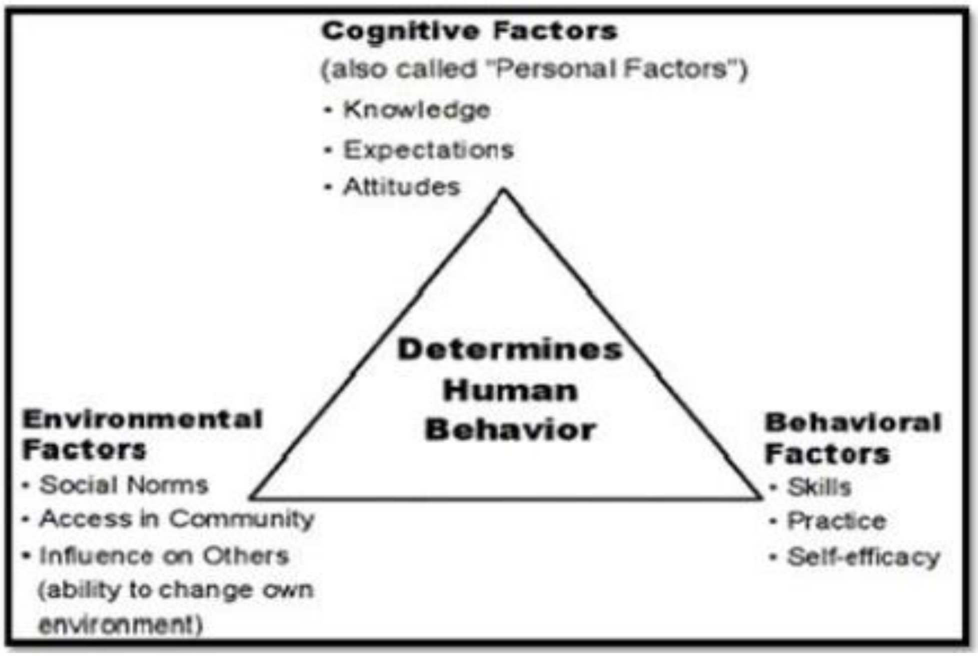


Figure 5. Cognitive mapping theory model

2.8.4 Social Learning (Behavior Modelling) Theory

Social learning theory was proposed by Albert Bandura in 1977. Bandura states that people can learn from observation, imitation and modelling. This theory believes that behavior is the function of consequence. People respond as on they perceive and understand the outcomes. This theory explains the behavior is learned from the environment through the process of observational learning. For instance; newly appointed employees observe the ways of supervisors and managers and imitate their behavior in organization. Likewise, children can easily copy the dancing steps observing their people dancing or watching television. This model is more applicable in teaching-learning process in school and colleges, training and development in organization, etc. According to this model, the individual learning process consists of following steps:

- **Attentional process:** Individual need to pay adequate attention to recognize and understand critical features to learn. Greater the attention on subject matter or event or person, greater chance of learning is observed.
- **Retention process:** Retention process is the act of remembering or retaining information or prior knowledge in learning process. The intensity of retention affects on learning process.
- **Motor reproduction process:** Motor reproduction is the process of further practicing learned behavior. Motor reproduction strengthens and advances the skills through practice.
- **Reinforcement process:** Positive rewards reinforce for the positive behavior. Greater the reinforcement, the reinforced behavior will get more attention, learned better and performed more frequently.

2.9. SUMMARY

Human behaviour is complex and every individual is different from another, the challenge of an effective organisation is in successfully matching the task, the manager and the subordinate. Under ideal situation, a manager would first analyze the task, then determine the required skills and assemble a team that complement each other skills; thereby creating an enriching & conflict free team. Personality can be termed as the combination of qualities – mental, physical, and moral that sets one part from others. Having a strong personality is the key to success. This is also a key determinant of good leadership. A good personality enables one to establish self-control and self-direction to discover the reality off freedom of choice. A person with a positive attitude can direct his thoughts, control his emotions and regulate his attitude. Learning can be defined as the permanent change in behavior due to direct and indirect experience. It means change in behavior, attitude due to education and training, practice and experience. It is completed by acquisition of knowledge and skills, which are relatively permanent.

2.10. KEYWORDS

Individual behaviour

Personality

Learning

2.11. CHECK YOUR PROGRESS QUESTION

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1. How do you match personality with the job?

2. Explain any two theories of learnings

3. Explain learning process

2.12. LESSON END ACTIVITY

"Any observable change in behaviour is prime facie evidence that learning has taken place"- Discuss.

2.13. QUESTIONS FOR DISCUSSION

1. Define personality and describe its origin

2. Why is the study of "Personality" is important for manager?

3. Discuss the nature of classical conditioning and operant conditioning. How do they differ from each other?

4. Explain social learning theory

5. Contrast classical conditioning, operant conditioning and social learning

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UNIT III- ORGANISATIONAL BEHAVIOUR MODIFICATION

3.0 Aims and Objectives

3.1 Introduction

3.2. Organizational behavior modifications

3.2.1 Meaning

3.2.2 Definition

3.3. Steps in organizational behavior modifications

3.4. Utilities of Organizational Behaviour Modification

3.4.1 The major strengths and utilities of Organizational Behaviour Modification

3.4.2. Development of Employees

3.4.3. Control and Regulation of the Employees' Behaviour

3.4.4. Easy to Understand and Use

3.4.5 Criticism of Organizational Behaviour Modification

3.4.6 The main objections raised against Organizational Behaviour Modification

3.5. Attitude – meaning and definition

3.6. Characteristics

3.7. Components

3.7.1Cognitive component

3.7.2Affective component

3.7.3Behavioural component

3.8. Summary

3.9. Key words

3.10. Check your progress

3.11. Lesson end activity

3.0 AIMS AND OBJECTIVES

In this lesson we will study the steps in organisational behaviour modification and characteristics of attitudes. After studying this lesson you will be able to :

- Describe organisational behaviour modification
- To study the characteristics of attitudes
- To study the components of attitudes

3.1. INTRODUCTION

Modern behaviorists lay great emphasis on operant conditioning for molding behaviour of individuals and motivating them. Behaviour modification, popularly known as Organisational Behaviour Modification makes use of various reinforcements to influence the behaviour of individuals. Organisational Behaviour Modification is derived and developed from the work of B.F. Skinner. This technique helps the managers in modifying or eliminating undesirable behaviour and replacing it with behaviour that is more compatible with goal attainment. Attitudes are individuals general affective, cognitive and intentional responses toward objects, other people, themselves, or social issues. Attitudes are evaluative statements either favourable or unfavourable -concerning objects, people or events. They reflect how one feels about something. The importance of attitudes lies in their link to behviour. When an employee says, "I Like my job"he or she is expressing their attitudes about work.

3.2 ORGANISATIONAL BEHAVIOUR MODIFICATIONS

3.2.1 Meaning

Organisational Behaviour Modification in simple words can be defined as a technique for modifying the modifying or behaviour of the organisational members so that they are engaged in desirable undesirable behaviour and. replacing it with behaviour. It can be used for motivating the employees as well as for enhancing organisational effectiveness.

3.2.2 Definitions

According to Stephen P. Robbins:

"Organisational Behaviour Modification is a programme where managers identify performance related employee behaviours and then implement an intervention strategy to strengthen desirable behaviour and weaken undesirable behaviours."

According to Schermerhorn, Hunt and Osborn:
"Organisational Behaviour Modification is the systematic reinforcement of desirable work behaviour and the non-reinforcement or punishment of unwanted work behaviour. It includes four basic reinforcement strategies. Positive reinforcement, negative reinforcement, punishment and extinction".

A-B-C's of Behaviour Modification:
Behaviour modification as has been just explained helps the manager in eliminating or modifying undesirable behaviour and replacing it with behaviour that's more compatible. It further helps us to understand how environmental contingencies influence behaviour.There can be two contingencies of behaviour:

(i) The Antecedents. These are the events preceding the behaviour

(ii) The consequences i.e. the events that follow a particular behaviour.

Both these variables put together form the A-B-C model.

The main aim of this model is to change Behaviour by managing its antecedents and consequences as is shown in the following diagram:

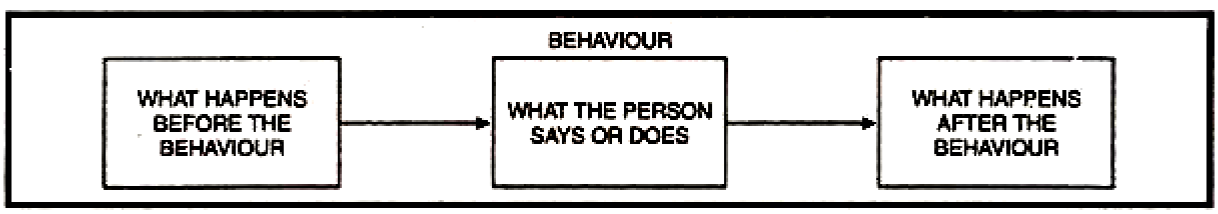


Figure:6 A-B-C's of Behaviour Modification

3.3 Steps in Organisational Behaviour Modification:
Fred Luthans and R. Kreitner developed and used Organisational Behaviour Modification to represent a behavioural approach to the management of human resources for performance improvement.

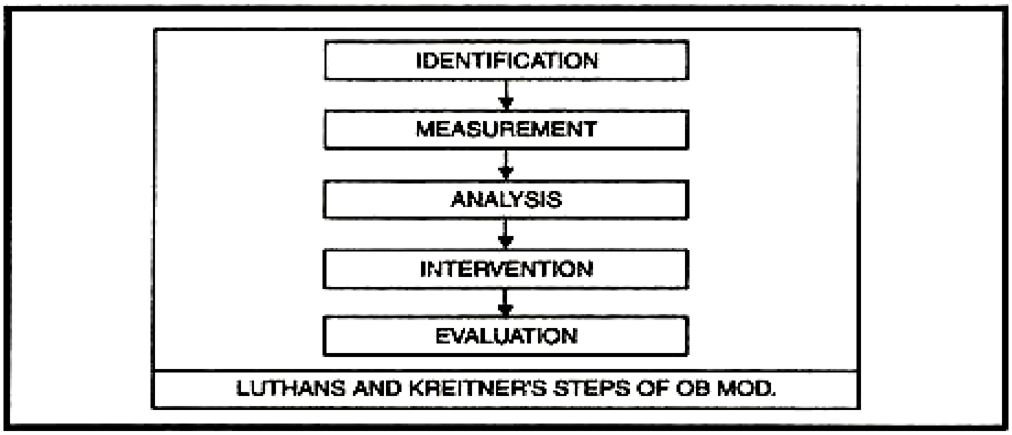


Figure :7 Fred Luthans and R. Kreitner Organisational Behaviour Modification

1. Identification

The first step in the Organisational Behaviour Modification is identification of performance related behaviours. First of all, the behaviour should be identified as desirable or undesirable from the point of view of the organisation. Then in the next stage, critical behaviours, that have significant impact on the employees' performance, should be given due attention. The critical behaviours can be identified through discussions with the particular employee and his immediate superior as both are closely intimated with the job behaviours.

Some of the critical behaviours which affect job performance are absenteeism or attendance, tardiness or promptness, complaints or constructive criticism, listening to or not listening to the instructions, etc. If such behaviours are modified, good results could be expected. Due attention should be given to the critical behaviour because they get repeated again and again.

2. Measurement

After the critical behaviours of the employees have been identified, the next step for the manager is to measure the frequency of the critical behaviour over time. The measurement can be done by observation and by extraction of information from records. If the frequency is within the acceptable limit, it will require no action, but if it exceeds the acceptable limit ,it will need immediate attention. The measurement of behaviour will also help the managers in determining the success in changing the employees' behaviour.

3. Analysis

At the next step, the managers will have to do a functional analysis of the behaviour that requires modification. This analysis will determine what circumstances lead to a particular type of behaviour, what are the consequences of such behaviour etc. Contingent consequences of behaviour should be identified because these consequences have impact on subsequent behaviour. Moreover, some contingent consequences appear to be affecting the critical behaviour on the surface only, the functional analysis should try to find out the competing contingencies for every behaviour also.

4. Intervention

Once the critical behaviours have been identified and the circumstances which cause such behaviours have been determined, the next step will be to develop an effective intervention strategy. There are several strategies that can be used at this stage. These include positive or negative reinforcement, extinction or punishment.

The use of a particular strategy will depend upon the type of situation faced. After developing and implementing a particular strategy, the frequency of resulting behaviour is measured. If a behaviour change has occurred in the right direction, the manager will select a reinforcement schedule that will maintain the desired behaviour.

5. Evaluation

The last stage in Organisational Behaviour Modification is the evaluation whether the intervention strategies are working properly or not. The basic purpose of Organisational Behaviour Modification is to bring change in undesirable behaviours so as to improve performance. Evaluation will reveal whether the undesirable behaviours have been substituted by desirable behaviour or not. If there has been a change in behaviour, whether it is permanent or just temporary.

Further, the evaluation will also show whether there is improvement in the performance or not. If there is a positive change, it suggests that the interventions are successful. However, if the change is not significant, it may call for adoption of alternate and more appropriate strategies.

3.4 Utilities of Organizational Behaviour Modification

Organisational Behaviour Modification has been applied successfully in many organisations, service as well as manufacturing, to improve organisational effectiveness and understand human behaviour in organisations. It is an important technique of human resource management.

3.4.1 The major strengths and utilities of Organizational Behaviour Modification are as follows:

1. Can be Put to Testing

Organisational Behaviour Modification concentrates on a person's external behaviour and this allows a manager to realistically observe and deal with outward manifestations of behaviour. Since it deals with observed behaviour it can be put to testing.

3.4.2. Development of Employees

Organisational Behaviour Modification presents a set of tools by which people can learn new behaviours and skills and thereby replacing undesirable behaviours. Positive reinforcement could be used to encourage desirable behaviour by the employees. Social learning theory can be of great use in the effective implementation of any training programme for the employees. Thus, Organisational Behaviour Modification is a great technique of developing the employees.

3.4.3. Control and Regulation of the Employees' Behaviour

Organisational Behaviour Modification provides various tools to the managers for effectively controlling and influencing the behaviour of employees in the organisation. Most behaviour in the organisation are learned, controlled and changed by the consequences. The managers can use operant conditioning to control and regulate the behaviour of subordinates by manipulating the reward system.

The behavioural consequences that are rewarding increase the probability of desired behaviour whereas aversive consequences decrease the probability of desired response.

3.4.4. Easy to Understand and Use

The understanding of Organisational Behaviour Modification techniques is comparatively easy. Managers can use these without many problems. Organisational Behaviour Modification has received great attention from several organisations in the recent years. It is widely applied in large organisations in the areas of human resource management, executive development, motivation, introduction of change and organisational development.

3.4.5 Criticism of Organizational Behaviour Modification

Organisational Behaviour Modification has been applied in many organisations and has actually benefitted organisations also. Still some people criticise it on the grounds that it is unethical and manipulative in character and so it should not be used by the managers to regulate the behaviour of others.

3.4.6 The main objections raised against Organizational Behaviour Modification are as follows

The basic criticism against Organisational Behaviour Modification is that Skinner's operant conditioning principles were developed after a series of experiments with white rats. The critics suggest that this technique is an applied rat morphism and tends to equate human beings with rats, but organisations are more complex than Skinner's boxes.

Operant conditioning techniques ignore the individuality of person and constitute a threat to the concept of personal autonomy. These techniques are employed by managers to manipulate and control the human beings into another person's concept of ideal person.

Organisational Behaviour Modification techniques restrict freedom of choice of behaviour. This works against the basic concept of creativity and innovation; which are required for successful working of the organisations.

Organisational Behaviour Modification is based on the assumption that individual behaviour is a function or is controlled by his environment and that forces internal to the individual have little effect on operant behaviour. However, empirical evidence suggests that operant behaviour is also a function of certain cognitive and affective variables residing in the individual. It does not take care of people's perception, beliefs, needs and expectations.

Organisational Behaviour Modification is an exercise in over simplification. It cannot be considered as an innovative and new technique of management. It is just a new name given to the old concepts. In past, many techniques of behaviour modification have been in practice.

The idea of changing employees' behaviour through reinforcement under Organisational Behaviour Modification is in conformity with the traditional thinking that people need to be directed to get the work done. In the modern world, where the people are enlightened, and self motivated, this view cannot be accepted.

External awards under Organisational Behaviour Modification amounts to bribery as some rewards are presented when the person shows the behaviour according to the wishes of the changing agent. Organisational Behaviour Modification ignores the internal causes of behaviour. It ignores the fact that intrinsic pleasure of job is more important to some employees.

Organisational Behaviour Modification is also criticized on the ground that managers are forced to psychoanalyse the workers and tie performance to rewards continuously. Quite often, it is too difficult to measure the complex behaviour most employees engage in. It may be more difficult to teach reinforcement principles to lower level managers and design reward system that help creativity and are not manipulative.

Behaviour modifications have been applied primarily with groups such as younger students in schools, delinquents in institutions, patients with behavioural disorders etc. However, organisational settings are different than laboratory settings and therefore, behaviour modifications cannot be applied in organisational settings, as applicable to laboratories.

In-spite of the criticisms levied against Organisational Behaviour Modification it has been increasingly used in business organisations. It is being utilized as a practical tool for shaping, improving and motivating behaviour of organisational members. Organisational Behaviour Modification should not be treated as a technique to be applied indiscriminately as panacea for all organisational behavioural problems. Rather the management should keep in mind its shortcomings and to apply it within the context of its limitations and shortcomings.

3.5. ATTITUDES- MEANING AND DEFINITIONS

Attitude is defined as a more or less stable set of predispositions of opinion, interest or purpose involving expectancy of a certain kind of experience and readiness with an appropriate response. Attitudes are also known as "frames of reference". They provide the background against which facts and events are viewed. It becomes necessary to know the attitudes of members of an organisation because they have to perceive specific aspects like pay, hours of work, promotion etc., of their job life in the wider context of their generalised attitudes.

An attitude is also a cognitive element; it always remains inside a person. Everyone's psychological world is limited and thus everyone has a limited number of attitudes. In business organisation, employees have attitudes relating to world environment, job security etc. The individual's attitudes towards these factors are indicative of his apathy or enthusiasm towards the activities and objectives of the organisation.

3.6. CHARACTERISTICS OF ATTITUDES

The Characterstics of attitude in organisational behaiviour are explained below

i. An attitude is the predisposition of the individual to evaluate some objects in a favourable or an unfavourable manner.

ii. The most pervasive phenomenon is "attitude". People at work place have attitudes about lots of topics that are related to them. These attitudes are firmly embedded in a complex psychological structure of beliefs.
iii. Attitudes are different from values. Values are the ideals, whereas attitudes are narrow, they are our feelings, thoughts and behavioural tendencies toward a specific object or situation.
iv. Attitude is a predisposition to respond to a certain set of facts.
v. Attitudes are evaluative statements - either favourable or unfavourable concerning the objects, people or events.

An attitude is "a mental state of readiness, organised through experience, exerting a specific influence upon a person's response to people, objects and situation with which it is related". Attitudes thus state one's predispositions towards given aspects of world.

They also provide an emotional basis of one's interpersonal relations and identification with others. Managers in work organisations need to know and understand employee's attitudes in order to manage effectively. Attitudes do influence behaviour of people and their performance in organisations.

3.7. COMPONENTS OF ATTITUDES

The three components of attitudes are:

- Cognitive component;
- Affective component; and
- Behavioural component.

3.7.1. Cognitive Component

This component includes the beliefs an individual has about a certain person, object, or situation. The belief that "discrimination is wrong" is a value statement. Such an opinion is the cognitive component of an attitude. Learned beliefs, such as "you need to work long hours to get a head in this job", lead to attitudes that have an impact on behaviour in the work place. The cognition component of an attitude, reflects a persons perceptions or beliefs. Cognitive elements are evaluative beliefs and are measured by attitude scales or by asking about thoughts. The statement "I believe Japanese workers are industrious, "reflect the cognitive component of an attitude. The cognitive component sets the stage for the more critical part of attitude - its affective component.

3.7.2. Affective Component

This component refers to the person's feelings that result from his or her beliefs about a person, object or situation. A person who believes hard work earns promotions may feel anger or frustration when he or she works hard but is not promoted. The affective component becomes stronger as an individual has more frequent and direct experience with a focal object, person or situation. Affect is the emotional component of an attitude.

It refers to an individual's feeling about something or someone. Statements such as "I like this" or "I prefer that" reflect the affective component of an attitude. Affect is measured by physiological indicators such as galvanic skin response (changes in electrical resistance of skin which indicate emotional arousal) and blood pressure. These indicators show changes in emotions by measuring

physiological arousal. If an individual is trying to hide his or her feelings, this might be shown by a change in arousal.

3.7.3. Behavioural Component

This component refers to the individual's behaviour that occurs as a result of his or her feeling about the focal person, object or situation. An individual may complain, request a transfer, or be less productive because he or she feels dissatisfied with work. The behavioural component of an attitude refers to an intention to behave in a certain way toward someone or something.

For example, our attitudes towards women in management may be inferred from an observation of the way we behave toward a female supervisor. We may be supportive, passive or hostile depending on our attitude. The behavioural component of an attitude is measured by observing behaviour or by asking a person about behaviour or intentions.

Component	Measured by
A Affect	Physiological indicators Verbal Statements about Feelings
B Behavioural intentions	Observed Behaviour Verbal Statements about Intentions
C Cognition	Attitude scales Verbal Statements about Beliefs

Depicts the three components of attitude

3.8. SUMMARY

Attitude is a positive; negative or mixed evaluation of an object that is expressed at some level of intensity. It is an expression of a favorable or unfavorable evaluation of a person, place, thing or event. These are fundamental determinants of our perceptions of, and actions toward all aspects of our social environment. Attitudes involve a complex organization of evaluative beliefs, feelings, and tendencies toward certain actions. Attitudes are known to serve at least four important functions in an organisation settings. Attitudes as made up of three components - cognition, affect and behaviour– is helpful toward understanding their complexity and the potential relationship between attitude and behaviour. The object of an attitude is represented as a prototype in a person's memory.Attitudes are learned .Individuals acquire attitudes from several sources but the point to be stressed is that the attitudes are acquired but not inherited.

3.9. KEYWORDS

Behaviour modification

Attitudes

Behavioural intension

Cognition

Organisation

3.10. CHECK YOUR PROGRESS QUESTIONS

1. Explain the meaning of attitudes

2. What do you mean by organisational behaviour modification?

3. What are the characteristics of attitudes?

3.11. LESSON END ACTIVITY

"Work satisfaction is associated with the attitude one has." Justify the statement with your own arguments.

3.12. QUESTIONS FOR DISCUSSION

1. Define Organisational Behaviour Modification

2. Describe the ABC Model of behaviour

3. Define Attitude

4. Explain the components of Attitudes

3.13. SUGGESTED READINGS

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UNIT IV- FORMATION- PERSCEPTION

4.0. AIMS AND OBJECTIVES

This lesson is intended to study the aspects of motivation. After study this lesson you will be able to:

- Understand what perception means.
- Study perceptin as a reflection of the characteristics of the perceiver, the perceived and the institution
- Know the meaning of movitation.
- Understand the importance and types of motivation.
- Know the effects of motivation on work behaviour.

4.1. INTRODUCTION

Perception involves the way we view the world around us. It adds, meaning to information gathered via the five senses of touch, smell, hearing, vision, and taste. Perception is the primary vehicle through which we come to understand our surrounding and ourselves. Perception can be defined as a process by which individuals organize and interpret their sensory impression in order to give meaning to their environment. Motivation is the process of challenging a persons inner drives so that he wants to accomplish the goals of the organisation.

4.2. IMPORTANCE OF PERCEPTION

Perception is a subjective, active and creative process through which we assign meaning to sensory information to understand ourselves and others. It can be defined as our recognition and interpretation of sensory information. It also includes how we respond to the information.

It is the process by which an organism detects and interprets information from the external world by means of the sensory receptors. It is our sensory experience of the world around us and involves both the recognition of environmental stimuli and actions in response to these stimuli.

Through the perceptual process, we gain information about the properties and elements of the environment that are critical to our survival.

Perception not only creates our experience of the world around us; it allows us to act within our environment.

- Perception is very important in understanding human behavior because every person perceives the world and approaches life problems differently. Whatever we see or feel is not necessarily the same as it really is. When we buy something, it is not because it is the best, but because we take it to be the best.
- If people behave on the basis of their perception, we can predict their behavior in the changed circumstances by understanding their present perception of the environment.

One person may be viewing the facts in one way which may be different from the facts as seen by another viewer.

- With the help of perception, the needs of various people can be determined, because people's perception is influenced by their needs.
- Perception is very important for the manager who wants to avoid making errors when dealing with people and events in the work setting. This problem is made more complicated by the fact that different people perceive the same situation differently. In order to deal with the subordinates effectively, the managers must understand their perceptions properly.
- Perception can be important because it offers more than objective output; it ingests an observation and manufactures an altered reality enriched with previous experiences.
- Perception builds character (not necessarily good or bad character) that defines different roles individuals fall into the clown, the hypocrite, the self-righteous, the victim, etc.
- It is vitally important if we want to get along with others to try to see things from their perspective or walk in their shoes for a while. If we walk in their shoes, we will gain a new perspective about things and in that understand the other and also can love and help the other more appropriately.
- Thus, for understanding human behavior, it is very important to understand their perception, that is, how they perceive the different situations.
- People's behavior is based on their perceptions of what reality is, not on reality itself. The world as it is perceived is the world that is important for understanding human behavior.

4.3. FACTORS INFLUENCING PERCEPTION IN ORGANIZATIONAL BEHAVIOUR

A number of factors operate to shape and sometimes distort perception. These factors reside-

1. In the perceiver
2. In the object or target being perceived or
3. In the context of the situation in which the perception is made.

4.3.1 Characteristics of the Perceiver

Several characteristics of the perceiver can affect perception. When an individual looks at a target and attempts to interpret what he or she, that interpretation is heavily influenced by personal characteristics of individual perceiver. The major characteristics of the perceiver influencing perception are:

Attitudes: The perceiver's attitudes affect perception. For example, suppose Mr. X is interviewing candidates for a very important position in his organization –a position that requires negotiating contracts with suppliers, most of whom are male. Mr X may feel that women are not capable of holding their own in tough negotiations. This attitude will doubtless affect his perceptions of the female candidates he interviews.

Moods: Moods can have a strong influence on the way we perceive someone. We think differently when we are happy than we do when we are depressed. In addition, we remember information that is consistent with our mood state better than information that is inconsistent with our mood state. When in a positive mood, we form more positive impression of others. When in a negative mood, we tend to evaluate others unfavourably.

Motives: Unsatisfied needs or motives stimulate individuals and may exert a strong influence on their perceptions. For example, in an organizational context, a boss who is insecure perceives a subordinate's efforts to do an outstanding job as a threat to his or her own position. Personal insecurity can be transferred into the perception that others are out to "get my job", regardless of the intention of the subordinates.

Self-Concept: Another factor that can affect social perception is the perceivers' self-concept. An individual with a positive self-concept tends to notice positive attributes in another person. In contrast, a negative self-concept can lead a perceiver to pick out negative traits in another person. Greater understanding of self allows us to have more accurate perceptions of others.

Interest: The focus of our attention appears to be influenced by our interests. Because our individual interests differ considerably, what one person notices in a situation can differ from what others perceive. For example, the supervisor who has just been reprimanded by his boss for coming late is more likely to notice his colleagues coming late tomorrow than he did last week. If you are preoccupied with a personal problem, you may find it hard to be attentive in class.

Cognitive Structure: Cognitive structure, an individual's pattern of thinking, also affects perception. Some people have a tendency to perceive physical traits, such as height, weight, and appearance, more readily. Others tend to focus more on central traits, or personality dispositions. Cognitive complexity allows a person to perceive multiple characteristics of another person rather than attending to just a few traits.

Expectations: Finally, expectations can distort your perceptions in that you will see what you expect to see. The research findings of the study conducted by Sheldon S Zalkind and Timothy W Costello on some specific characteristics of the perceiver reveal.

- Knowing oneself makes it easier to see others accurately.
- One's own characteristics affect the characteristics one is likely to see in others.
- People who accept themselves are more likely to be able to see favourable aspects of other people.
- Accuracy in perceiving others is not a single skill.

These four characteristics greatly influence how a person perceives others in the environmental situation.

4.3.2 Characteristics of the Target

Characteristics in the target that is being observed can affect what is perceived. Physical appearance plays a big role in our perception of others. Extremely attractive or unattractive individuals are more likely to be noticed in a group than ordinary liking individuals. Motion, sound, size and other attributes of a target shape the way we see it.

Physical appearance plays a big role in our perception of others. The perceiver will notice the target's physical features like height, weight, estimated age, race and gender.

Perceivers tend to notice physical appearance characteristics that contrast with the norm, that are intense, or that are new or unusual. Physical attractiveness often colourour entire impression of another person. Interviewers rate attractive candidates more favourably and attractive candidates are awarded higher starting salaries.

Verbal communication from targets also affects our perception of them. We listen to the topics they speak about, their voice tone, and their accent and make judgements based on this input.

Non-verbal communication conveys a great deal of information about the target. The perceiver deciphers eye contact, facial expressions, body movements, and posture all inan attempt to form an impression of the target.

The perceiver, who observes the target's behaviour, infers the intentions of the target.

For example, if our manager comes to our office door way, we think "oh no! he is going to give me more work to do". Or we may perceive that his intention is to congratulate us on a recent success. In any case, the perceiver's interpretation of the target's intentions affects the way the perceiver views the target.

Targets are not looked at in isolation, the relationship of a target to its background influences perception because of our tendency to group close things and similar things together.

Objects that are close to each other will tend to be perceived together rather than separately. As a result of physical or time proximity, we often put together objects orevents that are unrelated. For examples, employees in a particular department are seen as a group. If two employees of a department suddenly resign, we tend to assume their departures were related when in fact, they might be totally unrelated.

People, objects or events that are similar to each other also tend to be grouped together. The greater the similarity, the greater the probability we will tend to perceive them as a group.

4.3.3Characteristics of the Situation

The situation in which the interaction between the perceiver and the target takes place has an influence on the perceiver's impression of the target. For example, a professor may not notice his 20-year-old female student in a bikini at the swimming pool. Yet the professor will notice the same girl if she comes to his organizational behaviour class in abikini. In the same way, meeting a manager in his or her office affects your impression in a certain way that may contrast with the impression you would form had you met the manager in a restaurant.

The strength of the situational cues also affects social perception. Some situations provide strong cues as to appropriate behaviour. In these situations, we assume that the individual's behaviour can be accounted for by the situation, and that it may not reflect the individual's disposition. This is the discounting principle in social perception. For example, you mayen counter an automobile sales person who has a warm and personable manner, asks you about your work and hobbies, and seems genuinely interested in your taste in cars. Can you assume that this behaviour reflects the sales person's personality? You probably cannot, because of the influence of the situation. This person is trying to sell you a car, and in this particular situation he probably treats all customers in this manner.

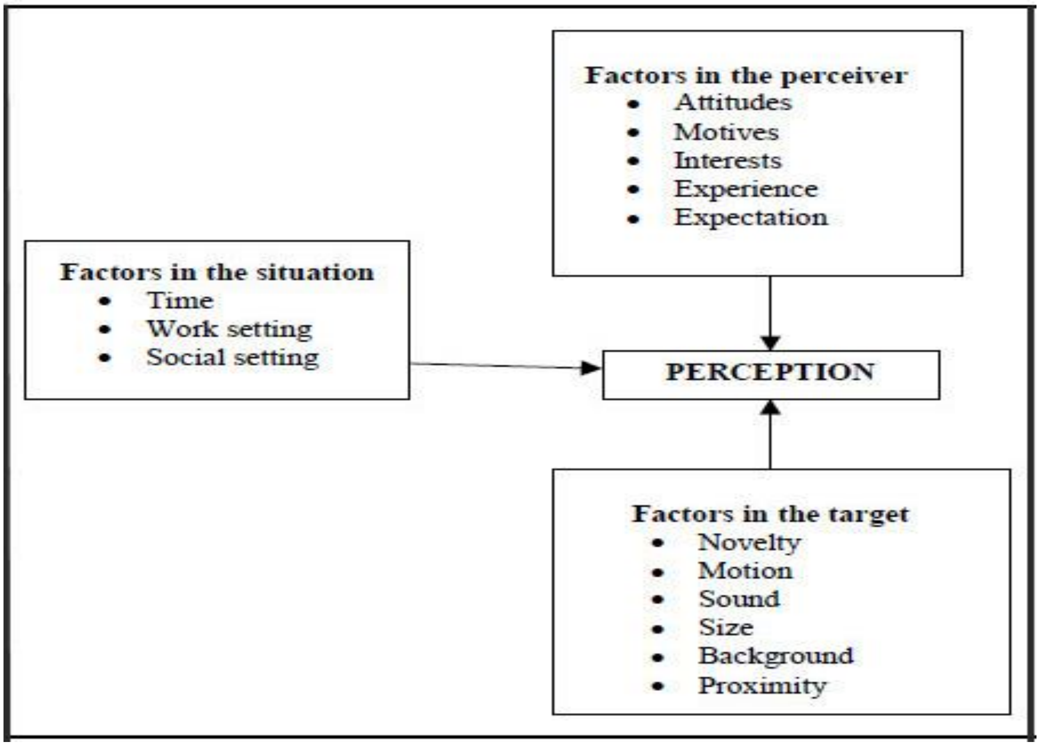


Figure:8 Factors influencing perception.

Frequently Used Shortcuts in judging others: Perceiving and interpreting what others do is burdensome. As a result, individuals develop techniques for making the task more manageable. These techniques are not fool proof. Several factors lead us to form inaccurate impressions of others. These barriers to perception are inaccurate impressions of others. These barriers to perception are

1. **Selective Perception** We receive a vast amount of information. Therefore, it is impossible for us to assimilate everything we see - on eye certain stimuli can be taken. That is why their boss may reprimand some employees for doing something that when done by another employee goes unnoticed. Since, we can't observe everything going on about us, we engage in selective perception.
   Selective perception is also out tendency to choose information that supports our view points; Individuals often ignore information that makes them feel uncomfortable or threatens their view points.

   Selective perception allows us to "speed-read" others, but not without the risk of drawing an inaccurate picture. Because we see what we want to see, we can draw unwarranted conclusions from an ambiguous, perception tends to be influenced more by an individual's attitudes, interests, and background than by the stimulus itself.

2. **Stereotype** A stereotype is a generalization about a group of people. When we judge someone on the basis of our perception of the group to which he or she belongs, we are using the shortcut called stereo typing. Stereo types reduce information about other people to a workable level, and they are efficient for compiling and using information. It is a means of simplifying a complex world and it permits us to maintain consistency. It is less difficult to deal with an unmanageable number of stimuli if we use stereo types. Stereo types can be

accurate, and when they are accurate, they can be useful perceptual guidelines. However, most of the times stereotypes are inaccurate.

Attractiveness is a powerful stereo type. We assume that attractive individuals are also warm, kind, sensitive, poised, sociable, outgoing, independent, and strong. Are attractive people sociable, outgoing, independent, and strong? Are attractive people really like this? Certainly, all of them are not.

In organizations, we frequently hear comments that represent stereo types based on gender, age, nationality etc. From a perceptual stand point, if people expect to see this stereo type, that is what they will perceive, whether it's accurate or not.

3. **Halo Effect** The halo error in perception is very similar to stereo typing. Where as in stereo typing the person is perceived according to a single category, under the halo effect the person is perceived on the basis of one trait.

   When we draw a general impression about an individual based on a single characteristic, such as intelligence, sociability or appearance, a halo effect is operating. The propensity for the halo effect to operate is not random. Research suggests it is likely to be most extreme when the traits to be perceived are ambiguous in behavioural terms, when the traits have moral over tones, and when the perceiver is judging traits with which he or she has limited experience. Example of halo effect is the extremely attractive women secretary who is perceived by her male boss as being an intelligent, good performer, when, in fact, she is a poor typist.

4. **First-impression error** Individuals place a good deal of importance on first impressions. First impressions are lasting impressions. We tend to remember what we perceive first about a person, and some times we are quite reluctant to change our initial impressions. First - impression error means the tendency to form lasting opinions about an individual based on initial perceptions. Primacy effects can be particularly dangerous in interviews, given that we form first impressions quickly and that these impressions may be the basis for long-term employment relationships.
5. **Contrast Effect** Stimuli that contrast with the surrounding environment are more likely to be selected for attention than the stimuli that blends in. A contrasting effect can be caused by colour, size or any other factor that is unusual (any factor that distinguishes one stimulus from others at present). For example, a man walking down the street with a pair of crutches is more attention getting than a common man. A contrast effect is the evaluation of a person's characteristics that are affected by comparisons with other people recently encountered that rank higher or lower on the same characteristics. The "contrast" principle essentially states that external stimuli that stands out against the background or which are not what are expecting well receive their attention. The contrast effect also explains why a male students tands out in a crowd of female students. There is nothing unusual about the male students but, when surrounded by females, he stands out.

   An illustration of how contrast effects operate in an interview situation in which one sees a pool of job applicants. Distortions in any given candidate's evaluation can occur as a result of his or her place in the interview schedule. The candidate is likely to receive a more favourable evaluation if preceded by mediocre applicants, and a less favourable evaluation if preceded by strong applicants.

6. **Projection** It is easy to judge others if we assume, they are similar to us. This tendency to attribute one's own characteristics to other people is called projection.

Projection can distort perceptions made about others. People who engage in projection tend to perceive others. According to what they are like rather than according to what the person being observed is really like. When managers engage in projection, they compromise their ability to respond to individual differences.

They tend to see people as more homogeneous than they really are.

7. **Implicit Personality Theories** We tend to have our own mini-theories about how people look and behave. These theories help us organize our perceptions and take shortcuts instead of integrating new information all the time. Implicit-personality theory is opinions formed about other people that are based on our own mini theories about how people behave. For example we believe that girls dressed in fashionable clothes will like modern music and girls dressed in traditional dress like saree will like Indian classical music. These implicit personality theories are barriers because they limit out ability to take in new information when it is available.
8. **Self-Fulfilling Prophecies** Self-fulfilling prophecies are the situation in which our expectations about people affect our interaction with them in such a way that our expectations are fulfilled. Self -fulfilling prophecy is also known as the **Pygmalion effect,** named after a sculptor in Greek mythology who carved a statue of a girl that came to life when he prayed for this wish and it was granted.

The Pygmalion effect has been observed in work organizations as well. A manager's expectations of an individual affect both the manager's behaviour toward the individual and the individual's response. For example, suppose a manager has an initial impression of an employee as having the potential to move up within the organization. Chances are that the manager will spend a great deal of time coaching and counselling the employee, providing challenging assignments and grooming the individual for success.

4.4. MOTIVATION

The word "motivation" comes from the Latin word "movere", which means move. Human motives are based on needs, whether consciously felt.

Motivation has been defined as the act of stimulating someone to take a desired course of action.

It is the art of inducing employees to work diligently and sincerely to the success of the enterprise. It is the intensification of the desire of the workers or employees to work more cordially, carefully and consciously.

In the words of L.A. Allen,

Motivation is the work of a manager who performs to inspire, encourage and impel people to take the required action.

According to William Scott, "Motivation means a process of stimulating people to action to accomplish desire goas."

4.5. IMPORTANCE OF MOTIVATION

The process of motivation plays a very important role in any organisation, profit or non-profit. The managerial process of direction is driven primarily by the process of motivation as it creates

within the mind of an employee the desire to work in the direction determined by the manager. The following aspects may be considered under this head:

- **Increases Productivity:** Motivation as a process leads to an increase in productivity of the employee. Motivation meets the needs of the employee and thereby creates the drive to work at the best of his abilities. A well-employee will be willing to put in more effort towards the betterment of the organisation than another disheartened employee.

- **Ensures Organisational Efficiency:** Motivation plays an important role in changing the attitudes of the employees in the organisation. Indifferent attitude is extinguished most efficiently by motivation. The presence of such favorable attitude allows the organisation to thrive and be successful.

- **Ensures Loyal Workforce:** A well-motivated workforce is a loyal workforce. Motivated employees have high levels of morale and commitment towards the organisation and its goals and objectives. Motivation thus reduces employee turnover and reduces the need for constant induction of new employees.

- **Ensures a Reactive Workforce:** Adapting to changing business environments is an important feature of any successful business. In order to react to changes easily and to continue smooth functioning, an organisation requires extensive loyalty and commitment of its employees. This reduces resistance to the changes that the organisation intends to make. This in effect makes the organisation efficient in adapting to changing needs.

- **Facilitates Direction:** Direction is an important managerial function and forms one of its core function. Motivation as already mentioned is a vital part of direction. Direction being a process that involves directing or initiating action according to a plan drawn up requires the employees to work wholeheartedly with commitment and loyalty. The process of direction is thus possible only when the employees proceed in the direction that the manager determines and this requires a motivated workforce.

4.6. TYPES OF MOTIVATION

There are two types of motivation, Intrinsic and Extrinsic motivation. It's important to understand that we are not all the same; thus, effectively motivating your employees requires that you gain an understanding of the different types of motivation. Such an understanding will enable you to better categorize your team members and apply the appropriate type of motivation. You will find each member different and each member's motivational needs will be varied as well. Some people respond best to intrinsic which means "from within" and will meet any obligation of an area of their passion. Quite the reverse, others will respond better to extrinsic motivation which, in their world, provides that difficult tasks can be dealt with provided there is a reward upon completion of that task. Become an expert in determining which type will work best with which team members.

4.6.1. Intrinsic Motivation

Intrinsic motivation means that the individual's motivational stimuli are coming from within. The individual has the desire to perform a specific task, because its results are in accordance with his belief system or fulfills a desire and therefore importance is attached to it.

Our deep-rooted desires have the highest motivational power. Below are some examples:

- **Acceptance:** We all need to feel that we, as well as our decisions, are accepted by our co-workers.
- **Curiosity:** We all have the desire to be in the know.
- **Honor:** We all need to respect the rules and to be ethical.
- **Independence:** We all need to feel we are unique.
- **Order:** We all need to be organized.
- **Power:** We all have the desire to be able to have influence.
- **Social contact:** We all need to have some social interactions.
- **Social Status:** We all have the desire to feel important.

4.6.2. Extrinsic Motivation

Extrinsic motivation means that the individual's motivational stimuli are coming from outside. In other words, our desires to perform a task are controlled by an outside source. Note that even though the stimuli are coming from outside, the result of performing the task will still be rewarding for the individual performing the task.

Extrinsic motivation is external in nature. The most well-known and the most debated motivation is money. Below are some other examples:

- Employee of the month award
- Benefit package
- Bonuses
- Organized activities

4.7. EFFECTS OF MOTIVATION ON WORK BEHAVIOUR

The Effect of Motivation on Employee Productivity Motivated employees are inclined to be more productive than non-motivated employees. Most businesses make some pains to motivate workers but this is normally easier said than done. Employees are all individuals with different like's dislikes and needs, and different things will motivate each.

1. Motivated Employees Are More Productive If employee will be satisfied and happy then he/she will do his /her work in a very impressive way, and then the result will be good, on the other hand motivated employee will motivate other employees in office.

2. Decision-making and practical Expectations It is important to engage employees in the decision-making process, but create realistic expectations in the process.

3. Job Description, Work Environment and Flexibility Employee doing the right job for his personality and skill set, and performing well at the job greatly increases employee motivation and satisfaction. A safe and non-threatening work environment is necessary to maintain a high level of employee motivation. Flexible human resource policies, flexible time, work from home, childcare also be liable to have happier and more motivated workers.

4. Pay and Benefits Keeping employees motivated with good benefits is easy. Where to draw the line at generous benefits that motivate all employees, versus raises and larger salaries to retain and attract the best workers and keep them happy and motivated to be working for you, are more difficult.

5. Company Culture Creating a positive and employee-friendly company culture is a great motivational tool.

4.8. SUMMARY

Perception involves the way we view the world around us. It adds, meaning to information gathered via the five senses of touch, smell, hearing, vision and taste. Perception is the primary vehicle through which we come to understand our surroundings and ourselves. People are complex and they are uniquely different. What motivates one person may not motivate another. Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards of subordinate work performance. Motivation to work is very complex. There are many internal and environmental variables that affect the motivation to work.

4.9. KEYWORDS

Motivation
Perception
Attitudes
Employee
Expectation

4.10. CHECK YOUR PROGRESS QUESTIONS

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1. Define Perception
2. Define Motivation
3. What is the benefits of motivation?
4. What are the factors determining the response to motivation?

4.11. LESSON END ACTIVITY

Elaborate the following statement:

"Motivation is a process by which a need or desire in aroused and a psychological force within our mind sets us in motion to fulfill our needs and desire."

4.12. QUESTIONS FOR DISCUSSION

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1. Explain the factors influencing Perception
2. Highlight the importance of perception
3. Explain the importance of motivation
4. Explain the types of motivation

4.13. SUGGESTED READINGS

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UNIT V- GROUP BEHAVIOR- ORGANISATION STRUCTURE

5.0 AIMS AND OBJECTIVES

This lesson is intended to study about basic attitudes of groups. After studying this lesson you will be able to:

- Know some basic attitudes of groups
- Ascertain some of the reasons on to why people form groups
- Know the difference between formal types of groups and informal types of groups
- Highlight some advantage, guidelines and various techniques for effective group decision making.
- Know the importance of interpersonal relationship at work place.
- Understand the importance of effective communication in an organization.

5.1. INTRODUCTION

Organisation structure shows the authority and responsibility relationships between the various positions in the organisation by showing who reports to whom. Organisation involves establishing an appropriate structure for the goal seeking activities. It is an established pattern of relationship among the components of the organisation. Organisation structure consists simply of those aspects of pattern of behaviour in the organisation that are relatively stable and change only slowly. The structure of an organisation is generally shown on an organizational chart. It shows the authority and responsibility relationships between various positions in the organisation while designing the organistion structure, due attention should be given to the principles of sound organisation.

5.2. GROUPS IN ORGANISATIONS

Group behavior in organisations tends to follow the organizational norms and rules wherein the employees are expected to be disciplined, follow orders, and work to the requirements of the organisation rather than their own whims and fancies. Indeed, the extreme form of groups conforming to the common codes of behavior is the armed forces wherein all members at whatever level they are in are expected to follow the orders of their superiors. On the other hand, organisations such as Google and Facebook are less hierarchical and less structured with employees being allowed to work on their pet projects for a certain period every week. The difference here is that in the armed forces and many organisations, the boss is always right whereas in the startups and the new economy or the knowledge sector, the rules tend to be less

rigid. Most organisations fall between these two extremes wherein the employees are encouraged, persuaded, and even ordered to conform to the norms of the group with some latitude and freedom being allowed for them to exercise their independence.

Definition

A group can be defined as two or more interacting and interdependent individuals who come together to achieve particular objectives. A group behavior can be stated as a course of action a group takes as a family. For example − Strike.

Types of Groups

There are two types of groups individuals form. They are formal groups and informal groups. Let us know about these groups.

Formal Groups

These are the type of work groups created by the organisation and have designated work assignments and rooted tasks. The behavior of such groups is directed toward achieving organisational goals.

Formal groups can be further classified into two sub-groups −

- **Command Group** − It is a group consisting of individuals who report directly to the manager.
- **Interest Group** − It is a group formed by individuals working together to achieve a specific objective.

Informal Groups

These groups are formed with friendships and common interests.

These can be further classified into two sub-groups −

- **Task group** − Those working together to finish a job or task is known as a task group.
- **Friendship group** − Those brought together because of their shared interests or common characteristics is known as friendship group.

For example − A group of workers working on a project and reporting to the same manager is considered as command group, while a group of friends chilling out together is considered as an interest group or say members of a club.

Why Do People Join Groups?

There is no particular reason answering why individuals join groups. Group helps individuals to feel stronger, have fewer self-doubts, and be more contrary to threats. The following points helps us understand the need of joining a group by individuals.

- Security mirrors strength in numbers.
- Status pinpoints a prestige that comes from belonging to a specific group.

Inclusion in a group is considered as important as it provides recognition and status.

- Self-esteem transmits people's feeling of self-worth.

  Membership can sometimes raise feelings of self-esteem like being accepted into a highly valued group.

- Affiliation with groups can meet one's social needs.

  Work groups significantly contribute to meet the need for friendships and social relations.

- One of the appealing attitudes of groups is that they represent power.

  What mostly cannot be achieved individually becomes possible with group effort.

- Power might be aimed to protect themselves from unreasonable demands.
- Informal groups additionally provide options for individuals to practice power.
- Finally, people may join a group for goal achievement.

  Sometimes it takes more than one person to accomplish a particular task.

Group Roles

The concept of roles is applicable to all employees within an organisation as well as to their life outside the organisation. A role is a set of expected behaviour patterns attributed to the one who occupies the position demanded by the social unit.

Individuals play multiple roles at the same time. Employees attempt to understand what kind of behavior is expected from them. An individual when presented by divergent role expectations experiences role conflict.

Group roles are divided into three types –

Task-oriented Roles

Roles allotted to individuals according to their work and eligibility is known as task-oriented roles. Task-oriented roles can broadly divide individuals into six categories initiator, informer, clarifier, summarizer, reality tester and information seekers or providers respectively.

- **Initiator** − The one who proposes, suggests, defines.
- **Informer** − The one who offers facts, expresses feelings, gives opinions.
- **Clarifier** − The one who interprets, defines, clarifies everything.
- **Summarizer** − The one who links, restates, concludes, summarizes.
- **Reality Tester** − The one who provides critical analysis.
- **Information seekers or providers** − The one who gives information and data.

These roles present the work performed by different individual according to their marked designation.

Relationship-oriented Roles

Roles that group individuals according to their efforts made to maintain healthy relationship in the group and achieve the goals are known as relationship-oriented roles. There are five categories of individuals in this category − harmonizer, gate keeper, consensus tester, encourager, and compromiser.

- **Harmonizer** − The one who limits tension and reconciles disagreements.
- **Gate Keeper** − The one who ensures participation by all.
- **Consensus Tester** − The one who analyzes the decision-making process.
- **Encourager** − The one who is warm, responsive, active, shows acceptance.
- **Compromiser** − The one who admits error and limits conflict.

These roles depict the various roles an individual plays to maintain healthy self as well as group relationships.

Individual Roles

Roles that classify a person according to the measure of individual effort put in the project aimed is known as individual roles. Five types of individuals fall into these roles − aggressor, blocker, dominator, cavalier, and avoidance.

- **Aggressor** − The one who devalues others, attacks ideas.
- **Blocker** − The one who disagrees and rebels beyond reason.
- **Dominator** − The one who insists superiority to manipulate.
- **Cavalier** − The one who takes part in a group non-productively.
- **Avoidance** − The one who shows special interest to avoid task.

These are the various roles a person plays in an organisation.

Well-Functioning Groups

We know what a group is, why it is important to form a group, and what the group-oriented roles are. Now we need to know how to mark a group as a well-functioning group, what features are necessary for a group to mark it as an efficient one.

A group is considered effective when it has the following characteristics −

- Atmosphere is relaxed, comfortable, and friendly.
- Task to be executed are well understood and accepted.
- Members listen well and actively participate in given assignments.
- Assignments are made clear and are accepted.
- Group is acquainted of its operation and function.
- People express their feelings and ideas openly.
- Consensus decision-making process is followed.
- Conflict & disagreement center regarding ideas or method.

5.3. GROUP DYNAMICS

A group is defined as a number of individuals who come together to achieve a particular task or goal. Group dynamics refers to the attitudinal and behavioural characteristics of a group. Group dynamics concerns organisational success because it consists of various groups and a lot depends on how groups form, how they configuration and process, and most importantly how they function. Group dynamics are pertinent in both formal and informal groups of all types. In an organisational setting, groups are a very common organisational entity and the study of groups and group dynamics is an important area of study in organisational behavior.

There are several theories on why groups develop. **The classic theory, developed by George Homans**, advocates that group development is based on activities, interactions, and feelings. What it means is when individuals share common activities; they will have more interaction and will develop attitudes which could be positive or negative toward each other. The major element in this theory is what kinds of interaction are shared by the individuals involved in the group.

Social exchange theory offers an alternative explanation for group development. According to this theory, individuals form relationships based on the implied expectation of mutually beneficial exchanges based on trust and felt obligation towards each other. Thus, an insight that in relationships exchange of thoughts and ideas is positive and essential if individuals are to be attracted to and affiliate with a group.

Social identity theory suggests that individuals get a sense of identity and self-esteem based upon their membership in outstanding groups. The nature of the group may be demographically based, culturally suitable, or organisationally based. Individuals are motivated to belong to and contribute to identical as their character groups because of the sense of belongingness and self-worth membership in the group imparts.

Do you know that the study of group dynamics is dated back to 1960s by Bruce Tuckman. He said that groups do not usually perform at maximum effectiveness when they are first established. They come across several stages of development as they struggle to become productive and effectual. Often, groups experience similar developmental stages while they encounter conflicts and resolutions. According to Tuckman's theory, there are five stages of group development: forming, storming, norming, performing, and adjourning. During these stages group members go through lot of pains as they need to address several issues and the way in which these issues are resolved decides whether the group will succeed in accomplishing its tasks or the group will break up.

Forming: This is the first stage**.** In this stage lot groups form temporarily; this stage is characterized by some puzzlement and lot of uncertainty. The group is not sure about their major goals. Leadership matters here a lot. Thus, forming is a direction period when members get to know one another and share expectations about the group. Members learn the purpose of the group as well as the rules to be followed. If the forming stage is rushed trust and openness cannot be developed. Individuals are often confused during this stage because roles are not clear and leadership matters to bring in a feeling of settlement. If the group is formed on basis of weak leadership, the group is far from being formed.

Storming: This stage is called storming because in this stage, the group is likely to see the highest level of incongruity and conflicts. Members in the group challenge group goals and struggle for power. Individuals often compete for the leadership position during this stage of development. This can be a positive experience for all groups if members can get organized through resolution. Members often voice concern and criticism in this stage. If members are not able to determine the conflict, then the group will often split up or continue in existence but will remain unproductive and never advance to the further stages.

Norming: This stage is categorized by the identification of individual differences and shared expectations. If in this stage the group members begin to develop a feeling of group unity and identity the group's existence strengthens. They experience cooperative efforts which begin to yield results. In this stage usually responsibilities are divided among members and the group decides on evaluating progress. Roles and responsibilities are passed on to members in the group in norming stage.

Performance: Performance of group occurs when the group matures and attains a feeling of cohesiveness. During this stage of development, individuals accept one another and conflicts are resolved through group discussions. Members of the group make decisions through a sensible process that is focused on relevant goals rather than emotional issues.

Adjourning: This stage is not is not experienced by all groups, because it is characterized by the performance discharged by the group. Some groups stay relatively permanent. There are reasons why groups disband; they differ from group to group. Some common reasons are the achievement of the tasks or individuals deciding to go their own ways. Members of the group often experience feelings of conclusion and sorrow as they prepare to leave the group. The reasons could be rational or irrational.

We human beings don't always make the right decisions because our rational judgment is influenced not only by our infatuations and emotions but we all have built-in biases and some other feelings as conceit, egos and illogical dogmas. We don't understand sometimes why we behave in a fashion or why we take wrong decisions. One big factor affecting the quality of decisions is whether a decision involves a group.

Group dynamics can lead otherwise sensible individuals to agree or disagree decisions they might not come to on their own. At times the effects are positive, as when some group members help others overcome discrimination. But the dynamics of a group often have negative consequences. Since most organisations rely on collective decision making in some contexts, managers must to be on the lookout for group biases and their undesirable results. There are again some common manifestations of the group effectiveness. Such as **conformity** – many people go along with the group regardless of what they themselves might think as individuals. Then comes **group polarization** – it's a phenomenon which shows that deliberation can intensify people's attitudes, leading to more extreme decisions. A study in US federal courts showed that judges working alone took a relatively extreme course of action only 30% of the time. When they were working in groups of three, this figure more than doubled, to 65%.

It has been observed that it is an elating feeling when like-minded people come together in a group. It is an exhilarating to see when a team of dedicated people meet to discuss and decide a course of action which benefits each member in the group. If a group is given freedom to choose whom and whom not it can have in its team, positive performance can be observed. It is always gratifying to have likeminded people to form groups. They work together, though each of them coming from different backgrounds and levels of experience, but each with the same intellectual capacity to problem-solving and eventually come up with well executed outcomes. People with similar points of view can supplement and substantiate the perspectives which help in achieving organizations goals and objectives.

5.4. EMERGENCE OF INFORMAL LEADERS AND WORKING NORMS

Groups are unique and evolving entities. The individuals within the group help determine the way the group will operate by selecting their leaders from those who the special skills or abilities

have needed by their group. An informal leader is someone with in an organisation or work unit who, by virtue of how he or she is perceived by his peers (or others in the organisation) is seen as worthy of paying attention to, or following. The major thing that distinguishes an informal leader does not hold a position of power or formal authority over those that choose to follow him or her.

The ability of informal leader to influence or lead others rests on the ability of that person to evoke respect, confidence, and trust in others, and it is no uncommon for an informal leader to not intentionally try to lead Informal leaders can be exceedingly valuable to organisations, and to the success of formal leaders, or, if informal leaders do not support the formal leaders and their agendas and vision, they can function as barriers in the organisation.

However, a successful leader of one group will not necessarily be the acknowledged leader in another. Although elected to an office, a person may not have the required capabilities or be seen by others as directing the group activities. This is especially true when other group members are more clearly expressing leadership qualities. In this situation, the other individuals can be helpful or disruptive to the established leadership.

Since the ability to perform the role of an elected officer varies from one person to another, and since officers change relatively frequently, a group is wise to tap the capabilities of many of its members. In addition to stipulating clearly the duties of the officers in the by-laws and formalizing the conduct of meetings by adopting rules of parliamentary procedure, an organisation may establish a number of special offices to complement the function of the elected officers. Although these roles are not standard, they can be useful to enhance the overall group activity.

5.4.1. Working norms of group

Group norms are the informal rules adopt to regulate member's behavior. Norms are characterized by their evaluative nature; i.e., they refer to what should be done. Norms represent value judgments about appropriate behavior in social situations. Although they are infrequently written down or even discussed , norms have powerful influence on group behavior. If each individual in a group decided how to behave in each interaction, no one would be able to predict the behavior of any group member; chaos would reign. Norms guide behavior and reduce ambiguity in group.

Groups do not establish norms about every conceivable situation but only with respect to things that re significant to the group. Norms might apply to every member of the group or to only some members. Norms that apply particular group members usually specify the role of individuals. Norms vary in the degree to which they are accepted by all members of the group- some are accepted by almost every one, others by some members and not others. For example, university.

Understanding how group norms develop and why they are enforced is important to managers. Group norms are important determinants of whether a group will be productive. A work group with the norm that its proper role is to help management will be far more productive than one whose norm is to be antagonistic to management. Manager can play a part in setting and changing norms by helping to set norms that facilitate tasks, assessing whether a group's norms are functional, and addressing counterproductive norms with subordinates.

5.5. GROUP DECISION MAKING TECHNIQUES

Some of the techniques employed to make the group decision-making process more effective and decision-making more efficient in which creativity is encouraged are as follows.

Brainstorming

Brainstorming technique involves a group of people, usually between five and ten, sitting around a table in a classroom setting generating ideas in the form of free association. The primary focus of the brainstorming technique is more on 'generation of ideas', rather than on 'evaluation of ideas', the idea being that if a large number of ideas can be generated, then it is likely that there will be a unique and creative solution among them.

All these ideas are written on the blackboard with a piece of chalk so that everybody can see every idea and try to improve upon them. The leader of the group defines and explains the nature of the problem to the group members and the rules to be followed.

(a) No judgements are to be made on these ideas when they are generated. No idea is to be criticized or evaluated in any way until all ideas have been considered.

(b) Welcome wild ideas, no matter how absurd they might seem. Some of the wildest ideas have resulted in unique solutions. There should be no inhibition in generating any ideas. The ideas that are too wild and unfeasible can always be discarded later.

(c) Strive for quantity and not quality. Quality can always be judged at the end. The more ideas there are, the better the chances that the best solution will not escape.

(d) Each participant is encouraged to improve or modify other participant's suggestions. The system can make improvements on the ideas, not visualized by the participant who originally suggested them. This process results in free association and unrestricted thinking and may generate some novel idea which may not have been thought of originally.

Brainstorming technique is very effective when the problem is comparatively specific and be simply defined. A complex problem can be broken up into many parts and each part can be taken separately at a time. The process is very time consuming and it is quite possible that none of the ideas generated would be optimal.

But the process itself being democratic in nature creates a lot of interest among subordinates and stimulates their thinking. Also, the wasted time can be minimized if the members of the group are chosen carefully so that they understand the problem and feel that their contribution towards ideas generation will be substantial.

Delphi Technique

Delphi technique is a modification of brainstorming technique that it involves obtaining the opinions of experts physically separated from each other and unknown to each other. Generally, the problems handled by this technique are not specific in nature or related to a particular situation at a given time.

The process is more involved in predicting and assessing the impact on our society of nature events in a given area. For example, the Delphi technique may be used to understand the problems that could be created in the event of a war and after. Typically, a group of experts is assembled whose specialty lies in a given field and they are asked to give their opinions about a problem or situation that might develop.

For example, physicians would be used to get ideas on how to treat a particular disease such as AIDS and medical psychologists will be used to deal with family of a patient of terminal disease or who is in a coma. All these opinions are handled by a central coordinator, who consolidates these opinions and this summarized information is sent back to the experts again for further analysis and opinion refinement. The following sequential steps characterize the technique

(a) The problem is identified and set of questions is built relating to the problem so that the answer to these questions generates solutions to the problem. These questions are consolidated in the form of a questionnaire.

b) Experts in the problem area are identified and contacted. The questionnaire is sent to each member who anonymously and independently answers the questions and sends it back to the central coordinator.

c) Once received, the results of this questionnaire are compiled and analyzed and on the basis of the responses received, a second questionnaire is developed which is mailed back to the participating members.

d) The members are asked again to react to these responses and to comment, suggest, evaluate and answer the new questions, possibly generating some new ideas and solutions.

e) The responses to this second questionnaire are compiled and analyzed by the central coordinator and if a consensus has not been reached, then a third questionnaire is developed, pinpointing the issue and unresolved areas of concern.

f) The above process is repeated until a consensus is obtained. Then final report is prepared and a solution is defined and developed if possible

One of the main advantages of the Delphi technique is that the group members are totally independent and are not influenced by the opinion of other members. It is an efficient method of poling a large number of experts'. Judgements and the members do not have to be present at one location, this means that an expert who is geographically separated can also contribute his thoughts and opinions so that the cost associated with bringing these experts together is avoided. Also, the process avoids the problem of conformity and domination that often occurs in interacting groups.

The main disadvantage of this technique is that it is highly time consuming and is primarily useful in illuminating broad range, long term complex issues such as future effects of energy shortages that might occur. This technique also eliminates the sense of motivation that arises in a face to face interacting group.

Nominal Technique

The Nominal Technique is very similar to Brainstorming but is considered to be more effective. This may be due to highly structured procedures employed for generating and analyzing various ideas and alternatives. It may be physically domination is avoided.

The process is similar-to a traditional committee meeting expect that the members operate independently, generating ideas for solving the problem in silence and in writing. The group leader or the coordinator either collects these written ideas or writes them on a large blackboard as he received it. These are then discussed one by one, in turn, and each participant is encouraged to comment on these ideas for the purpose of clarification.

After all ideas are discussed and clarified, they are evaluated for their merits and drawbacks and each participating member is required to vote on each idea and assign it a rank on the basis of priority of each alternative solution. The idea with the highest aggregate ranking creates an

atmosphere of creativity because participants often work hard to generate ideas in the presence of others.

Fish bowling

Fish bowling is another variation of the brainstorming but is more structured and is to the point. In this technique, the decision-making group of experts is seated around a circle with a single chair in the center of the circle. One member of the group or the group leader is invited to sit in the center chair and give his view about the problem and his proposition of a solution.

The other group members can ask him questions but there is no irrelevant discussion or cross talk. Once the member in the center chair has finished talking and his viewpoint is fully understood, he leaves the center and joins the group in the circle. Then the second member is called upon to sit in the center chair and give his views in the light of the views expressed earlier. The members can ask questions to the center based upon the new ideas presented by the member. In the center as well as the ideas discussed by previous center members continuous until the chair is vacated. All exchanges must be between the center and the group and no two group members are allowed to talk directly.

This technique result in each member favoring a particular course of action, since all members are acting upon the database and also since each idea offered by the central members has been thoroughly questioned and examined. After all experts have expressed their views, the entire groups discuss the various alternatives suggested and pick the one with consensus.

Didactic Interaction

Didactic interaction is applicable only in certain situations, but is an excellent method when such a situation. For example, the decision may be to buy or not to buy, to situation requires an extensive and exhaustive discussion and investigation since a wrong decision can have serious consequences of either of the two alternatives, the group required to make the decision is split into two subgroups, one favoring the 'go' decision and other favoring the 'no go' decision. The first group lists all the 'pros' of the problem solution and the second group lists all the 'cons'.

These two groups meet and discuss their findings and their reason. After the exhaustive discussions, the group switch ideas and try to find weakness in their own original viewpoints. This interchange of ideas and tolerance and understanding of opposite viewpoint results in mutual acceptance of facts as facts as they exist so that a solution can be built around these facts and thus a final decision is reached.

5.6. INTERPERSONAL RELATIONS

Interpersonal relationship refers to a strong association among individuals working together in the same organization. Employees working together ought to share a special bond for them to deliver their level best. It is essential for individuals to be honest with each other for a healthy interpersonal relationship and eventually positive ambience at the workplace.

5.6.1. Importance of interpersonal relationship at workplace.

An individual spends around eight to nine hours in his organisation and it is practically not possible for him to work all alone. Human beings are not machines who can work at a stretch.

We need people to talk to and share our feelings. Imagine yourself working in an organisation with no friends around!!!!!!!!We are social animals and we need friends around. An individual working in isolation is more prone to stress and anxiety. They hardly enjoy their work and attend office just for the sake of it. Individuals working alone find their job monotonous. It is essential to have trustworthy fellow workers around with whom one can share all his secrets without the fear of them getting leaked. We must have friends at the workplace who can give us honest feedback.

A single brain alone can’t take all decisions alone. We need people to discuss various issues, evaluate pros and cons and reach to solutions benefiting not only the employees but also the organization on the whole. Employees can brainstorm together and reach to better ideas and strategies. Strategies must be discussed on an open platform where every individual has the liberty to express his/her views. Employees must be called for meetings at least once in a week to promote open communication. Interaction on a regular basis is important for healthy relationship.

Interpersonal relationship has a direct effect on the organization culture. Misunderstandings and confusions lead to negativity at the workplace. Conflicts lead you nowhere and in turn spoil the work environment.

We need people around who can appreciate our hard work and motivate us from time to time. It is essential to have some trustworthy coworkers at the workplace who not only appreciate us when we do some good work but also tell us our mistakes. A pat on the back goes a long way in extracting the best out of individuals. One needs to have people at the workplace who are more like mentors than mere colleagues.

It always pays to have individuals around who really care for us. We need colleagues to fall back on at the times of crisis. If you do not talk to anyone at the workplace, no one would come to your help when you actually need them.

An individual need to get along with fellow workers to complete assignments within the stipulated time frame. An Individual working all alone is overburdened and never finishes tasks within deadlines. Support of fellow workers is important. You just can’t do everything on your own. Roles and responsibilities must be delegated as per specialization, educational qualification and interests of employees. An individual needs help of his fellow workers to complete assignments on time and for better results.

5.7. COMMUNICATION

Effective Communication is significant for managers in the organizations so as to perform the basic functions of management, i.e., Planning, Organizing, Leading and Controlling.

Communication helps managers to perform their jobs and responsibilities. Communication serves as a foundation for planning. All the essential information must be communicated to the managers who in-turn must communicate the plans so as to implement them. Organizing also requires effective communication with others about their job task. Similarly leaders as managers

must communicate effectively with their subordinates so as to achieve the team goals. Controlling is not possible without written and oral communication.

Managers devote a great part of their time in communication. They generally devote approximately 6 hours per day in communicating. They spend great time on face to face or telephonic communication with their superiors, subordinates, colleagues, customers or suppliers. Managers also use Written Communication in form of letters, reports or memos wherever oral communication is not feasible.

Thus, we can say that "**effective communication is a building block of successful organizations**. In other words, communication acts as organizational blood.

The importance of communication in an organization can be summarized as follows:

1. Communication **promotes motivation** by informing and clarifying the employees about the task to be done, the manner they are performing the task, and how to improve their performance if it is not up to the mark.
2. Communication is a **source of information** to the organisational members for decision-making process as it helps identifying and assessing alternative course of actions.
3. Communication also plays a crucial role in **altering individual's attitudes**, i.e., a well-informed individual will have better attitude than a less-informed individual. Organisational magazines, journals, meetings and various other forms of oral and written communication help in moulding employee's attitudes.
4. Communication also **helps in socializing**. In today's life the only presence of another individual fosters communication. It is also said that one cannot survive without communication.
5. As discussed earlier, communication also assists in **controlling process**. It helps controlling organisational member's behaviour in various ways. There are various levels of hierarchy and certain principles and guidelines that employees must follow in an organisation. They must comply with organisational policies, perform their job role efficiently and communicate any work problem and grievance to their superiors. Thus, communication helps in controlling function of management.

An effective and efficient communication system requires managerial proficiency in delivering and receiving messages. A manager must discover various barriers to communication, analyze the reasons for their occurrence and take preventive steps to avoid those barriers. Thus, the primary responsibility of a manager is to develop and maintain an effective communication system in the organisation.

5.8. HAWTHORNE STUDIES

Introduction

At the beginning of the 20th century, companies were using scientific approaches to improve worker productivity. But that all began to change in 1924 with the start of the Hawthorne Studies, a 9-year research program at Western Electric Companies. The

program, of which Elton Mayo and Fritz Roethlisberger played a major role, concluded that an organisation's undocumented social system was a powerful motivator of employee behaviour. The Hawthorne Studies led to the development of the Human Relations Movement in business management. The experiment was about measuring the impact of different working conditions by the company itself (such as levels of lighting, payment systems, and hours of work) on the output of the employees. The researchers concluded that variations in output were not caused by changing physical conditions or material rewards only but partly by the experiments themselves. The special treatment required by experimental participation convinced workers that management had a particular interest in them. This raised morale and led to increased productivity. The term 'Hawthorne effect' is now widely used to refer to the behaviour-modifying effects of being the subject of social investigation. The researchers concluded that the supervisory style greatly affected worker productivity. These results were, of course, a major blow to the position of scientific management, which held that employees were motivated by individual economic interest. The Hawthorne studies drew attention to the social needs as an additional source of motivation. Economic incentives were now viewed as one factor, but not the sole factor to which employees responded.

Experiments

Illumination studies

In the early 1920s Chicago's Western Electric Hawthorne Works employed 12,000 workers. The plant was a primary manufacturer of telephones, and in 1924 the company provided a site to cooperate with the NRC on a series of test room studies to determine the relationship between illumination and worker efficiency. The basic idea was to vary and record levels of illumination in a test room with the expectation that as lighting was increased, productivity would too. In another test room, illumination was decreased, with the correlating expectation that efficiency would decrease. The electric power industry provided an additional impetus for these tests, hoping to encourage industries to use artificial lighting in place of natural light. The Illuminating Engineering Society's Committee on Research also supported the tests and cooperated with the NRC. Workers were notified of the tests in order to attempt to control interference from human factors. When production increased in each test period, researchers looked to other factors such as increased supervision and a sense of competition that developed between the test and control groups. But the one conclusion the impressive team of industrial specialists and academics discovered was the lack of a consistent correlation between lighting levels and product output. No further tests were planned originally, but researchers were surprised at the unanticipated results.

The National Research Council researchers concluded that a variety of factors must affect industrial output other than just the lighting effect because they continued to produce 7 million relays annually.

Relay assembly test room experiment

In order to observe the impact of these other factors, a second set of tests was begun before the completion of the illumination studies on April 25, 1987. The relay-assembly tests were designed to evaluate the effect rest periods and hours of work would have on

efficiency. Researchers hoped to answer a series of questions concerning why output declined in the afternoon: Did the operators tire out? Did they need brief rest periods? What was the impact of changes in equipment? What were the effects of a shorter work day? What role did worker attitudes play? Hawthorne engineers led by George Pennock were the primary researchers for the relay-assembly tests, originally intended to take place for only a few months. Six women operators volunteered for the study and two more joined the test group in January 1928. They were administered physical examinations before the studies began and then every six weeks in order to evaluate the effects of changes in working conditions on their health. The women were isolated in a separate room to assure accuracy in measuring output and quality, as temperature, humidity, and other factors were adjusted. The test subjects constituted a piece-work payment group and efforts were made to maintain steady work patterns. The Hawthorne researchers attempted to gain the women's confidence and to build a sense of pride in their participation. A male observer was introduced into the test room to keep accurate records, maintain cordial working conditions, and provide some degree of supervision.

The women were employed in assembling relays or electromagnetic switches used in switching telephone calls automatically. The women assembled the more than 35 parts of the relay by hand. The relays were then carefully inspected. The entire process was highly labor intensive and the speed of assembly had an obvious effect on productivity.

Initially the women were monitored for productivity, and then they were isolated in a test room. Finally, the workers began to participate in a group payment rate, where extra pay for increased productivity was shared by the group. The other relay assemblers did not share in any bonus pay, but researchers concluded this added incentive was necessary for full cooperation. This single difference has been historically criticized as the one variable having the greatest significance on test results. These initial steps in the relay-assembly studies lasted only three months. In August, rest periods were introduced and other changes followed over the rest of the test period, including shortened work days and weeks. As the test periods turned from months into years, worker productivity continued to climb, once again providing unexpected results for the Hawthorne team to evaluate.

Productivity increased in excess of 30 percent over the first two and-a-half years of the studies and remained steady for the duration of the tests. The physicals indicated improved worker health and absenteeism decreased. By their own testimony, the women expressed increased satisfaction with all aspects of their jobs. Researchers tentatively concluded that performance and efficiency improved because of the rest periods, relief from monotonous working conditions, the wage incentive, and the type of supervision provided in the test environment. After additional study and consideration, the first two factors were rejected and further tests were conducted in an attempt to verify the effects of incentives and working conditions. The results were still not totally conclusive. Finally, researchers realized worker attitudes within the group were influential as was the more personal atmosphere of the test room. They concluded factors such as lighting, hours of work, rest periods, bonus incentives, and supervision affected workers, but the attitudes of the employees experiencing the factors were of greater significance. As a result, the Hawthorne team decided not to pursue similar studies. Almost as significant

during the relay assembly tests was the introduction of a team of academics from the Harvard Business School into the experiments. Led by professors Elton Mayo and F. J. Roethlisberger, this new group of researchers would have an enormous impact on the Hawthorne studies and the future of human relations in the workplace.

However the same experiment was done on a group of 6 women placed in the same room whereas the production increased because they felt like a group where they were all connected through a team work. This is common sense, just like in a class room; as students meet day by day and study together the same materials, they will feel a sense of freedom that they do not experience in a playground floor.

Mayo's contributions became increasingly significant in the experiments during the interviewing stages of the tests. Early results from the illumination tests and the relay-assembly tests led to surveys of worker attitudes, surveys not limited to test participants.

Work Conditions and Productivity Results

Under normal conditions with a forty-eight-hour week, including Saturdays, and no rest pauses. The girls produced 2,400 relays a week each. They were then put on piecework for eight weeks. Output increased .They were given two five-minute breaks, one in the morning, and one in the afternoon, for a period of five weeks.Output increased, yet again.The breaks were each lengthened to ten minutes. Output rose sharply,Six five-minute breaks were introduced.

The girls complained that their work rhythm was broken by the frequent pauses
Output fell only slightly
The original two breaks were reinstated, this time, with a complimentary hot meal provided during the morning break.
Output increased further still
The workday was shortened to end at 4.30 p.m. instead of 5.00 p.m.
Output increased
The workday was shortened to end at 4.00 p.m.
Output leveled off
Finally, all the improvements were taken away, and the original conditions before the experiment were reinstated. They were monitored in this state for 12 more weeks.
Output was the highest ever recorded – averaging 3000 relays a week.

Study Conclusions

The aptitudes of individuals are imperfect predictors of job performance. Although they give some indication of the physical and mental potential of the individual, the amount produced is strongly influenced by social factors.

Informal organisation affects productivity. The researchers discovered a group life among the workers. The studies also showed that the relations that supervisors develop with workers tend to influence the manner in which the workers carry out directives.

Work-group norms affect productivity. The Hawthorne researchers were not the first to recognize that work groups tend to arrive at norms of what is “a fair day’s work.” However, they provided the best systematic description and interpretation of this phenomenon.

The workplace is a social system. The researchers came to view the workplace as a social system made up of interdependent parts. The worker is a person whose attitudes and effectiveness are conditioned by social demands from both inside and outside the work plant. Informal group within the work plant exercise strong social controls over the work habits and attitudes of the individual worker.

The need for recognition, security and sense of belonging is more important in determining workers’ morale and productivity than the physical conditions under which he works.

The major finding of the study was that almost regardless of the experimental manipulation, worker production seemed to continually improve. One reasonable conclusion is that the workers were happy to receive attention from the researchers who expressed an interest in them. Originally, the study was expected to last one year, but since the findings were inexplicable when the researchers tried to relate the worker’s efficiency to manipulated physical conditions, the project was incrementally extended to five years.

Bank-Wiring Tests

The bank-wiring tests began in November 1931. The foreman of the bank-wiring department resisted the intrusion of observers into his work space and a bank-wiring test room was set up. The test room housed nine wirers, three solderers, and two inspectors. All were male between the ages of 20 and 25. Their job was to wire conductor banks, a repetitive and monotonous task. The banks were one of the major components of automatic telephone exchange. Between 3,000 and 6,000 terminals had to be wired for a set of banks. The work was tiring and required the workers to stand for long periods of time. Pay incentives and productivity measures were removed, but a researcher was placed into the test room as an observer and the workers were interviewed. The purpose of the bank-wiring tests was to observe and study social relationships and social structures within a group, issues raised by two other significant members of the research team, W. Lloyd Warner and William J. Dickson. Warner was on Mayo’s Harvard team, trained as an anthropologist and primarily interested in Hawthorne from an entirely different perspective, that of an observer of the social behavior of a group. Perhaps the most revealing aspect of the bank-wiring tests was that the workers combined to slow down production-a clear indication of the need for analysis of the social relationships of workers. Research showed the most admired worker among the group was the one who demonstrated the greatest resentment of authority by slowing down production the most.

The bank-wiring tests were shut down in the spring of 1932 in reaction to layoffs brought on by the deepening depression. Layoffs were gradual, but by May the bank-wiring tests

were concluded. These tests were intended to study the group as a functioning unit and observe its behavior. The study findings confirmed the complexity of group relations and stressed the expectations of the group over an individual's preference. The conclusion was to tie the importance of what workers felt about one another to worker motivation. Industrial plants were a complex social system with significant informal organizations that played a vital role in motivating workers. The researchers found that although the workers were paid according to individual productivity, productivity decreased because the men were afraid that the company would lower the base rate. There was no trust between employees and researches, so they simply held down production to the level they thought was in their best interest; the same thing happens when a classmates of yours steal the exam paper and the administration finds out. You would not say who did it because you wouldn't want your classmate to be kicked out of school. So, your interest is to say that you do not know hoping that they don't change the exam answers.

Employees had physical as well as social needs, and the company gradually developed a program of human relations including employee counseling and improved supervision with an emphasis on the individual workers. The results were a reinterpretation of industrial group behavior and the introduction of what has become human relations.

The Interview Process

I think interviewing is a good idea. It helps some people get a lot of things off their chest. Assisting Mayo was his research assistant, Fritz Roethlisberger. Under Mayo and Roethlisberger's direction, the Hawthorne experiments began to incorporate extensive interviewing. The researchers hoped to glean details (such as home life or relationship with a spouse or parent) that might play a role in employees' attitudes towards work and interactions with supervisors. From 1928 to 1930 Mayo and Roethlisberger oversaw the process of conducting more than 21,000 interviews and worked closely training researchers in interviewing practices.

Mayo and Roethlisberger's methodology shifted when they discovered that, rather than answering directed questions, employees expressed themselves more candidly if encouraged to speak openly in what was known as nondirected interviewing. "It became clear that if a channel for free expression were to be provided, the interview must be a listening rather than a questioning process," a research study report noted. "The interview is now defined as a conversation in which the employee is encouraged to express himself freely upon any topic of his own choosing."

Interviews, which averaged around 30 minutes, grew to 90 minutes or even two hours in length in a process meant to provide an emotional release. You always want to feel appreciated and taken into consideration from your boss or any other higher authority you are working with. This can create a trusting circle between both. Just like when you are supposed to learn from your teacher the materials she is giving you and at the same time you ask her for her advice on your personal life and start telling her what is going on with you in your daily life. You will feel a close relationship that connects you with the

teacher and you will start to listen to her more and take into consideration what she is giving you as materials because there is a trust circle between both.

The resulting records, hundreds and hundreds of pages in which employees disclose personal details of their day to day lives, offer an astonishingly intimate portrait of the American industrial worker in the years leading to and following the Depression. In a pre-computer age, thousands of comments were sorted into employees' attitudes about general working conditions, specific jobs, or supervisors and among these categories into favorable and unfavorable comments used to support interpretations of the data. Both workers' and supervisors' comments would aid in the development of personnel policies and supervisory training, including the subsequent implementation of a routine counseling program for employees.

Roethlisberger discovered that what employees found most deeply rewarding were close associations with one another, "informal relationships of interconnectedness," as he called them. "Whenever and where it was possible," he wrote, generated them like crazy. In many cases they found them so satisfying that they often did all sorts of non-logical things in order to belong. In Mayo's broad view, the industrial revolution had shattered strong ties to the workplace and community experienced by workers in the skilled trades of the 19th century. The social cohesion holding democracy together, he wrote, was predicated on these collective relationships, and employees' belief in a sense of common purpose and value of their work.

The Hawthorne Legacy

The Hawthorne studies were conducted in three independent stages-the illumination tests, the relay-assembly tests, and the bank-wiring tests, although each was a separate experiment. The second and third each developed out of the preceding series of tests. Neither Hawthorne officials nor NRC researchers anticipated the duration of the studies, yet the conclusions of each set of tests and the Hawthorne experiments as a whole are the legacy of the studies and what sets them apart as a significant part of the history of industrial behavior and human relations.

The tests challenged prior assumptions about worker behavior. Workers were not motivated solely by pay. The importance of individual worker attitudes on behavior had to be understood. Further, the role of the supervisor in determining productivity and morale was more clearly defined. Group work and behavior were essential to organizational objectives and tied directly to efficiency and, thus, to corporate success. The most disturbing conclusion emphasized how little the researchers could determine about informal group behavior and its role in industrial settings. Finally, the Hawthorne studies proved beyond certainty that there was a great deal more to be learned about human interactions in the workplace, and academic and industrial study has continued in an effort to understand these complex relationships.

Beyond the legacy of the Hawthorne studies has been the use of the term "Hawthorne effect" to describe how the presence of researchers produces a bias and unduly influences

the outcome of the experiment. In addition, several important published works grew out of the Hawthorne experience, foremost of which was Mayo's The Human Problems of an Industrial Civilization and Roethlisberger and Dickson's Management and the Worker.

The Hawthorne studies have been described as the most important social science experiment ever conducted in an industrial setting, yet the studies were not without their critics. Several criticisms, including those of sociologist Daniel Bell, focused on the exclusion of unionized workers in the studies. Sociologists and economists were the most commanding critics, defending their disciplinary turf more than offering serious criticisms. Despite these critical views, the flow of writings on the Hawthorne studies attests to their lasting influence and the fascination the tests have held for researchers. The studies had the impact of defining clearly the human relations school. Another contribution was an emphasis on the practice of personnel counseling. Industrial sociology owes its life as a discipline to the studies done at the Hawthorne site. This, in part, led to the enormous growth of academic programs in organisational behavior at American colleges and universities, especially at the graduate level.

Criticism of Hawthorne Studies

The influence of Hawthorne studies has declined in the last ten years as a result of widespread failure of later studies to reveal any reliable relation between the social satisfaction of industrial workers and their work performance but still, reputable textbooks still refers almost reverentially to the Hawthorne studies as a classic in the history of social science in industry. There have been a broad criticism and assumptions, many of them cogent. How is it that nearly all authors of textbooks who have drawn material from the Hawthorne studies have failed to recognize the vast discrepancy between evidence and conclusions of those studies, have frequently miss described the actual observations and occurrences in a way that brings the evidence into line with the conclusions reached by Hawthorne studies?

This part of the project will critically examine the evidence and arguments from which the investigators reached conclusions. The first hypothesis made states that the change in work task and physical context help in the 30 percent increase in the productivity of the workers. Considering the girls on the relay room the one who had several tasks to do has improved the less and then when they put her in the group with the other girls doing one task she improved but that was not a conclusive evidence in favour of the hypothesis so the investigator had to dismiss it. Second hypothesis states that the reduced fatigue due to rest pauses and shorter working hours played a role in the 30 percent increase but medical examination could not provide evidence of fatigue effect so this hypothesis was also dismissed. In stage II, the girls wage was based on the average output of the whole department and their productivity increased by 13 percent. But it promptly dropped by 16 percent when the experiment was discontinued. Here a hypothesis was made that the wage incentive was in effect but the investigators also were not impressed by this evidence and did not support it. A comparison is made between the first three stages. Stage III produced a claimed of 15 percent increase in rate of output over 14 months, thereafter the average rate of output declined due to depressions. The investigators

attribute the decline and ignored the possibility that the increase also could have been influenced by changing general economic and employment conditions. Also, the peak output for each girl did not occur at the same dates. It turned out that there is no one period over which the group achieved the increased claimed. In stage I, two measures of the workers performance were used: Total output per week and hourly rate of output per week. In the report of this stage it is not clear in which output is the increase. This has lead to misunderstanding and misinterpretation of the Hawthorne studies results.

Here several points are of present importance. For stage I, it is not clear wither the 30 percent increase in the output claimed refers to rate of output or total output. For stage III, if total output per week is used to measure performance, the 15 percent increased claimed reduces to less than zero because although output per hour increased by 15 percent, the weekly hours decreased by 17 percent. From evidence to conclusion, the investigator concluded that 15 percent remains as the maximum amount to be attributed but they decided that it is impossible to consider a wage incentive as a thing in itself having an independent effect on individual. Here we should appreciate how invalid are the influences made. In stage I, friendly supervision and a change to a preferred incentive system led to an increase in total output about 30 percent. In stage III, friendly supervision without a change in payment system led to no increase in total output. The investigator concluded that the effect of a wage incentive system is no greatly influenced by social considerations that it is impossible to consider it capable of independent effect. None of the results of the three first stages gave the slightest substantiation to the theory that the workers are primarily motivated by economic interest. The evidence indicates that the efficiency of a wage incentive is so independent on its relation to other factors and cannot be taken as an independent effect. This conclusion is a contrast to the objectives results obtained.

The critical examination attempted here shows the error and the incompetence in the understanding and use of scientific method in the Hawthorne studies from beginning to end. There are major deficiencies in stages I, II and III. First there was no attempt to establish sample groups representative any larger population than the groups themselves, therefore no generalization is legitimate. Second, there was no attempt to employ control data from the output records of the girls who were not put under special experimental conditions. Third, even if both previous points had been met, the experiments would still have been of minor scientific value since a group of five subjects is too small to yield statistically reliable results. These points make it clear that the evidence obtained from stages I, II and III does not support any of the conclusions derived by Hawthorne investigators. The results of these studies are far from supporting the various components of the "human relation approach" and are surprisingly consistent with a rather old-world view about the value of monetary incentives, driving leadership and discipline. It is only by massive and relentless reinterpretation that the evidence is made to yield contrary conclusions. The limitations of the Hawthorne studies clearly render them incapable of yielding serious support of any sort of generalization whatever.

5.9. SUMMARY

Group behavior in organisations tends to follow the organizational norms and rules wherein the employees are expected to be disciplined, follow orders, and work to the requirements of the organisation rather than their own whims and fancies. When individuals are in groups, they act differently than they do when they are alone. Formal and informal groups are formed in organisations for different reasons. The way in which a particular group develops depends in part on such variables as the frequency with which group members interact and personal characteristics of group members.it is therefore important for us to understand in an orderly manner how groups help members change human behaviour in different organisational situations.

5.10. KEYWORDS

Organisation Structure
Group Dyamics
Formal groups
Informal groups
Cohesiveness

5.11. CHECK YOUR PROGRESS QUESTIONS

1**.** What are the various method of group decision -making?
2. What are the techniques of group decision making?
3. What are the different types of communication?

5.12. LESSON END ACTIVITY

Delphi method is similar to nominal group technique except that it does not require the physical presence of the group members. Explain.

5.13. QUESTIONS FOR DISCUSSION

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1. Explain Organization Structure
2. Define groups. Explain the different types of groups.
3. Explain the reasons for forming groups.
4. Explain interpersonal relations.
5. Explain Hawthorne studies

5.14. SUGGESTED READINGS

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UNIT VI- LEADERSHIP AND POWER

6.0 Aims and Objectives

6.1 Introduction

6.2. Meaning of Leadership

6.3. Importance of Leadership

6.4. Leadership Styles

6.4.1Autocratic or Task Management Leadership
6.4.2Democratic or Participative Leadership
Free-Rein or Laisse-Faire Leadership

6.4.4Paternalistic Leadership

6.5. Theories of Leadership

6.5.1The Great Man Theory
6.5.2The Trait Theory
6.6. Leaders vs Managers

6.7. Source of Power

6.7.1Sources of Management Power
6.7.2Appreciating Reward Power

6.0 AIMS AND OBJECTIVES

This lesson is intented to discuss the concept and importance of leadership and power in organisation. After studying this lesson you will be able to:

- Appreciate that all managers are business leaders and they must exhibit leadership qualities
  In addition to managerial expertise.
- Differentiate formal and informal leadership
- Enunciate characteristics of leaders
- Understand various leadership styles
- Know the sources of power-both interpersonal as well as organisational
- Appreciate ethics of power and politics

6.1. INTRODUCTION

The problem of leadership has been one of man's major concerns since the days of antiquity. Leadership was a matter of concern even in biblical times. Coming to business enterprises, people working there need leaders, who could be instrumental in guiding the efforts of groups of workers to achieve the goals of both individuals and the organisation. Leadership is the process of influence on a group. Leadership is the ability of a manager to induce subordinates to work with confidence and zeal. Peter Drucker considers "leadership"as a human characteristic which

lifts a man's vision to higher sights, raises a man's performance to higher standards and builds man's personality beyond its normal limitations.

6.2. MEANING OF LEADERSHIP

Leadership is a great quality and it can create and convert anything. Leadership is an important element of the directing function of management. Wherever, there is an organized group of people working towards a common goal, some type of leadership becomes essential. "The power of leadership is the power of integrating. The leader stimulates what is best in us he unites and concentrates what we feel only gropingly and shatteringly. He is a person who gives form to the uncoarctate energy in every man. The person who influences me most is not he who does great Deeds, but he who makes me feel that I can do great deeds." Marry Parker Follet.

Leadership is the ability to build up confidence and zeal among people and to create an urge in them to be led. To be a successful leader, a manager must possess the qualities of foresight, drive, initiative, self-confidence and personal integrity. Leadership is a psychological process of influencing followers (subordinates) and providing guidance, directing and leading the people in an organization towards attainment of the objectives of the enterprise.

6.3. IMPORTANCE OF LEADERSHIP

The importance of leadership in an organisation cannot be denied. People working in an organisation need individuals (leaders) who could be instrumental in guiding the efforts of groups of workers to achieve goals and objectives of both the individuals and the organisation. The leader guides the action of others in accomplishing these tasks. A good leader motivates his subordinates, creates confidence and increases the morale of the workers. In the words of Peter F Drucker – "Good leadership is a must for the success of a business but the business leaders are the scarcest resources of any enterprise". The following points highlight the importance of leadership:

- Leadership is the process of influencing the activities of an individual or a group towards the achievement of a goal.
- An effective leader motivates the subordinates for higher level of performance.
- Leadership promotes team -spirit and team -work which is quite essential for the success of any organisation.
- Leadership is an aid to authority. A leadership helps in the effective use of formal authority.
- Leadership creates confidence in the subordinates by giving them proper guidance and advice.

The history of business is full of instances where good leaders led their business concerns to unprecedented peaks of success. To quote George R Terry- "The will to do is triggered by leadership and lukewarm desires for achievement and transformed into burning passé. For successful accomplishments by the skillful use of leadership."

6.4. LEADERSHIP STYLES

The different types of leadership styles are: -

1. Autocratic or Task Management Leadership,
2. Democratic or Participative Leadership,
3. Free-Rein or Laisse-Faire Leadership, and
4. Paternalistic Leadership.

6.4.1Autocratic or Task Management Leadership

Autocratic Leadership relies on coercion, and its style is paternalism, arbitrariness, command, and compliance. The autocratic leader gives orders which must be obeyed by the subordinates. He determines policies for the group without consulting them and does not give detailed information about future plans, but simply tells the group what immediate steps they must take. However, some autocratic leaders may happen to be "benevolent autocrats." Generally, they are willing to hear and consider subordinates' ideas and suggestions, but when a decision is to be made, they turn out to be more autocratic than benevolent.

6.4.2Advantages of autocratic leadership

- It is the speed with which decision can be made; the leader does not have to obtain group members' approval before deciding.

Disadvantages of autocratic leadership

- Autocratic leadership does have a negative impact on group -morale.
- Members may resent the way in which decisions are made and thus support them in only a minimal fashion.

6.4.2Democratic or Participative Leadership

Democratic Style of leadership that uses legitimate power can be classified as democratic leadership. A democratic leader usually gives instructions only after consulting with the group. He sees to it that policies are worked out in group discussion and with the acceptance of the group. That means democratic leadership solicits employees' participation and respects their opinions. **Advantages of democratic leadership**

- It often enhances the morale of the employees.
- It increases acceptance of management's ideas.
- It increases cooperation between management and employees.
- It leads to a reduction in the number of complaints and grievances.

Disadvantages of democratic leadership

- It accounts for slow decisions, diluted accountability for decisions.
- There may be possible compromises that are designed to please everyone but does not give the best solution.

6.4.3 Free-Rein or Laisse-Faire Leadership

The leadership style which allows maximum freedom to followers may be called free rein leadership. It gives employees a high degree of independence in their operations. A free rein leader completely abdicates his leadership position, to give all responsibility of most of the work entrusted to him to the group which he is supposed to lead, limiting his authority to maintain the contact of the group with persons outside the group. This is also known as the permissive style of leadership.

Advantages of free rein leadership

- Opportunity for individual development is offered to group members.
- All persons are given a chance to express themselves and to function relatively independently.

Disadvantages of free rein leadership

- It may result in the lack of group cohesion and unity toward organizational objectives.
- Without a leader, the group may have little direction and a lack of control.
- The result can be inefficiency or even worse, chaos.

6.4.4 Paternalistic Leadership

Under Paternalistic Leadership, the leader assumes that his function is paternal or fatherly.

His attitude is that of treating the relationship between the leader and the group as that of a family with the leader as the head of the family. He works to help, guide, protect, and keep his followers happily working together as members of a family. He provides them with good working conditions and employee services. This style has been successful, particularly in Japan because of its cultural background. It is said that employees under such leadership will work harder out of gratitude. This mode of leadership produces good and quick results if the followers are highly educated and brilliant, and have a sincere desire to go ahead and perform with responsibility.

6.5. THEORIES OF LEADERSHIP

Over the decades, many great scholars, researchers and academicians have conducted various research and studies to discover the factors that contribute to effective leadership. In this process, the following theories of leadership have evolved:



Figure :9 Theories of Leadership

- **The Great Man Theory**: Thomas Carlyle proposed the Great Man Theory in the 1840s, and it merely believes that leadership is an inherent trait of a person who is destined to become a great leader by birth and they prove themselves when the great need arises. In other words, some people are born to become leaders and leadership is a heroic act.:

  Criticism: This theory was criticised or questioned due to the following reasons:

- It was a male-centric approach when women have proved to be great leaders too.
- This theory explains that leadership cannot be learned or taught it's an inherent trait.
- There is no scientific validation to support this theory.
- It neglected the environmental and situational factors which affect the leadership process.
- **The Trait Theory**: Ralph M. Stogdill proposed the trait theory of leadership in the late 1940s; he explained that an individual must possess the key personality traits and characteristics to be an effective leader and these traits are inherent by birth. Some of the core leadership traits based on this theory can be categorised as follows:
- **Physiological traits**: Height, weight, structure, colour, appearance and so forth.
- **Socioeconomic characteristics**: Gender, religion, marital status, age, occupation, literacy and earnings.
- **Personality traits**: Extraversion, self-confidence, patience, agreeable, reliable, honesty and leadership motivation.

- **Intellectual traits**: Decisiveness, intelligence, judgemental ability, knowledge and emotional attribute.
- **Task-related traits**: Attainment drive, dedication, initiative, determination and business expertise.
- **Social characteristics**: Socially active, cordiality and cooperation.
- Some of the other traits being charisma, adaptiveness, creativity, uniqueness.

This theory was criticised since it neglected the environmental factors which may not always remain the same. The list of traits is quite vast and keeps on changing from time to time. It was unable to explain failures despite possessing the certain traits specified in the theory. Moreover, of the identified traits can be acquired through learning and training.

- **Behavioural Theory**: The behavioural theory of leadership evolved in the 1950s. After understanding that the personal traits of a leader are essential for effective leadership, the researchers were now keen to know that what leaders do to become effective leaders

Thus, they now focussed on the leader's behaviour rather than traits. To study the behaviour of leaders, two major research programs were started by two different universities namely, the Ohio State Leadership Studies and the University of Michigan Studies.

The Ohio State University Studies: A group of researchers at Ohio State University prepared a questionnaire to be surveyed in military and industrial setups, to determine the perception of the subordinates for the actual behaviour of their leaders. From their findings, the researchers identified two major categories of leader behaviour:

- **Consideration**: The leaders are attentive towards their subordinates and build up an excellent inter-personnel relationship with them. They are very supportive and friendly. This was termed as 'people-oriented behaviour'.
- **Initiating structure**: The leaders are majorly concerned about the achievement of goals and schedule and structure work accordingly. For such leaders, subordinates are just resources, and they have to make the optimal utilisation of them. This was termed as 'task-oriented behaviour'.

- **The University of Michigan Studies**: This study is based on how the leader's behaviour is related to group performance. Researchers made a comparison of effective managers with the ineffective ones and found that the two can be discriminated on the basis of their behaviour, i.e. job-centric behaviour and organisational-member centric behaviour.

  The study further resulted in the identification of four additional behaviours essential for effective leadership which are:

  - Support
  - Goal emphasis
  - Work facilitation

- Interaction facilitation

- **Blake and Mouton's Leadership Grid**: Robert R. Blake and Jane S. Mouton gave the Leadership/Managerial Grid Theory and discovered the five different styles of leadership by categorising the managers into 81 possible ways arising out of the combination of rating depending on two variables, concern for people and concern for results.

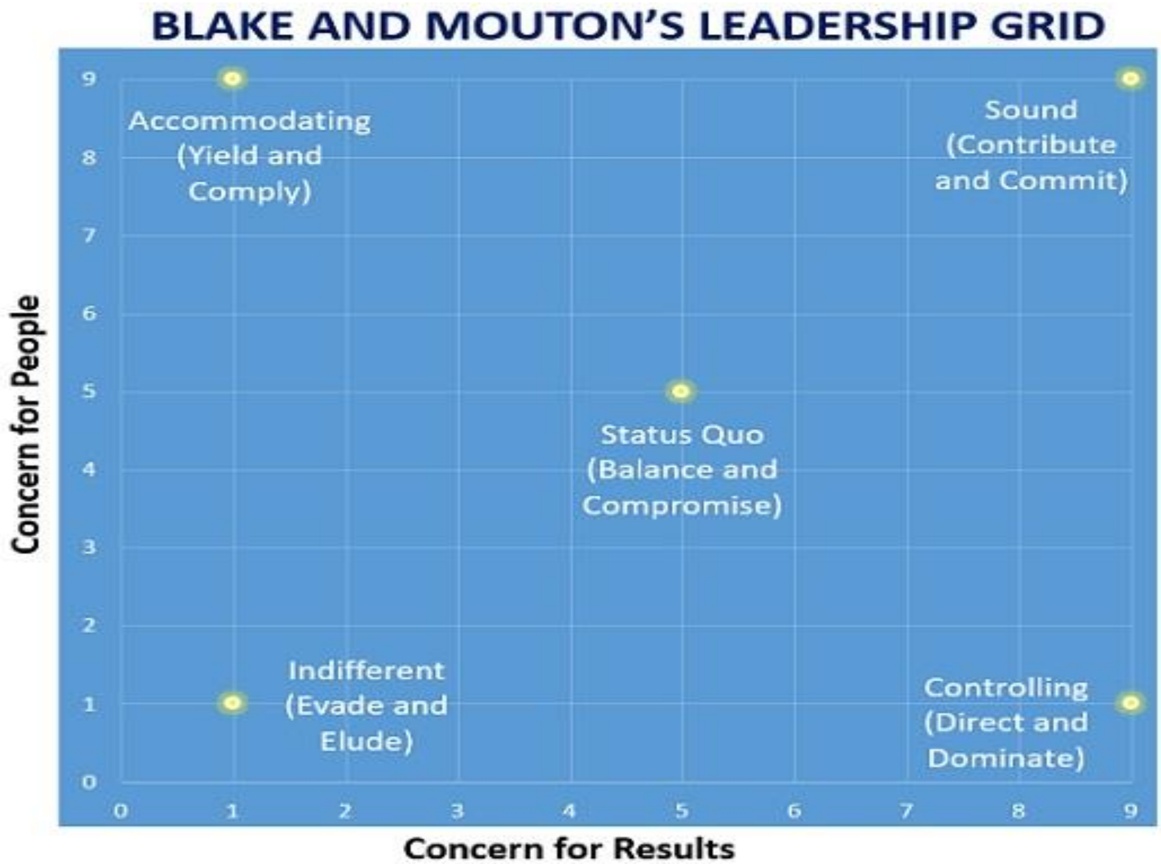


Figure :10 Blake and Mouton's Leadership Grid

Indifferent: Neither the attention is paid towards the work, nor towards the employees, it is the most ineffective style of leadership.

- **Controlling or the country club**: All that matters is the well-being of the staff.
- **Accommodating or task oriented**: All that matters is production and output.
- **Status Quo or balance**: Moderate and equal importance and attention are given to work as well as employee welfare.
- **Sound**: A high level of concern is shown towards both, the output as well as the employees, it is the most effective style of leadership.

- **Contingency Theory**: Contingency theories of leadership state that effective leadership comprises of all the three factors, i.e. traits, behaviour and situation. A leader's behaviour

varies as per the situation. To support this theory of leadership various models were developed, and multiple studies were conducted in this direction.

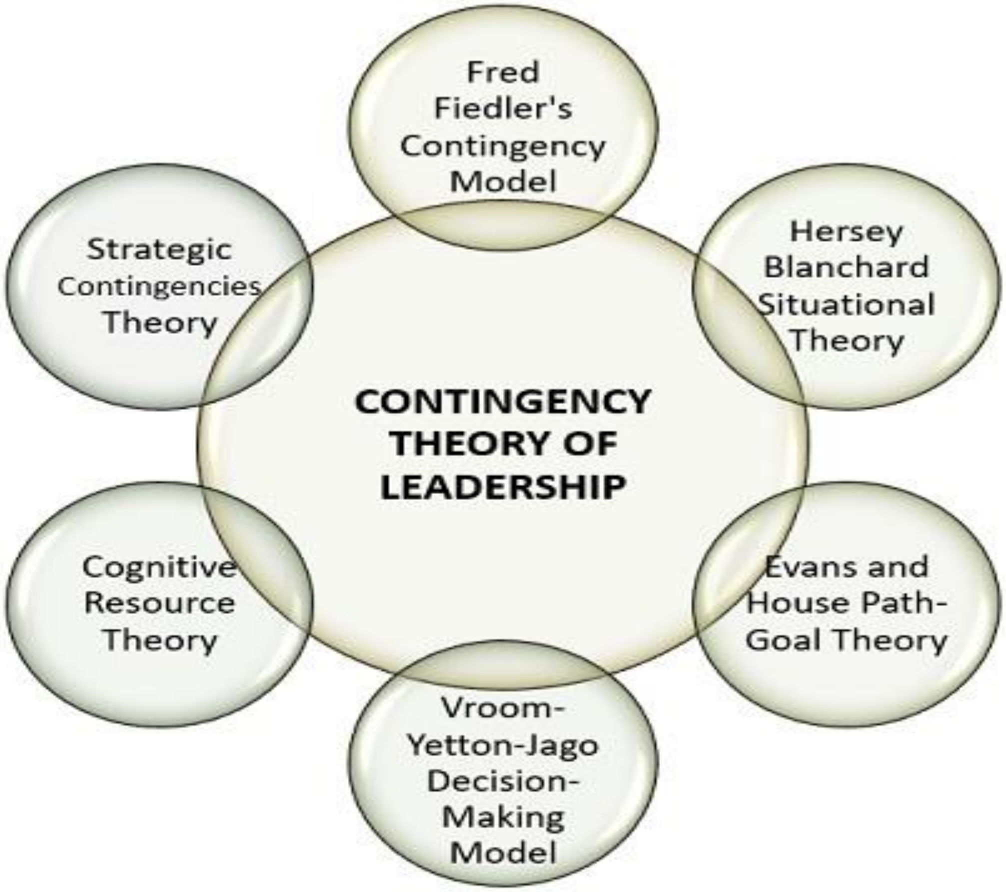


Figure :11 Models of Contingency Theory

Fred Fiedler's Contingency Model: Dr Fred E. Fiedler tried to explain that the performance of a group or team is banked on the pleasant and unpleasant situations and style of leadership.

Leadership style can be assessed with the help of Least Preferred Co-worker (LPC) scale. It is a technique in which a leader is asked to think of a person whom they least like to work with and score them on different bipolar scales.For instance: Friendly-unfriendly, Efficient-inefficient, Cooperative-uncooperative, etc

- **Fiedler's findings**:

- **Leader's Traits**: On the basis of the LPC Scale, a leader's style of leadership can be determined. If a leader scores high on the LPC scale, that means he is highly relationship-oriented and treats even the least preferred co-worker generously.If he scores low on the LPC scale, he is a task-oriented leader prioritising the work and performance.
- **Situational factor**: Leaders manage to perform effectively in the favourable situations. They feel that they have control and command over the group of employees in such situations.

- **Situation Matches**: Fiedler gave a Contingency Model named Leader Situation Matches in which he explained that leadership style could be either task-oriented or people-oriented, based on the favourableness of the situation.
- **Hersey Blanchard Situational Theory**: The Hersey-Blanchard Situational Theory states that the style of leadership depends upon the maturity of the subordinates; accordingly, the following four styles are developed.

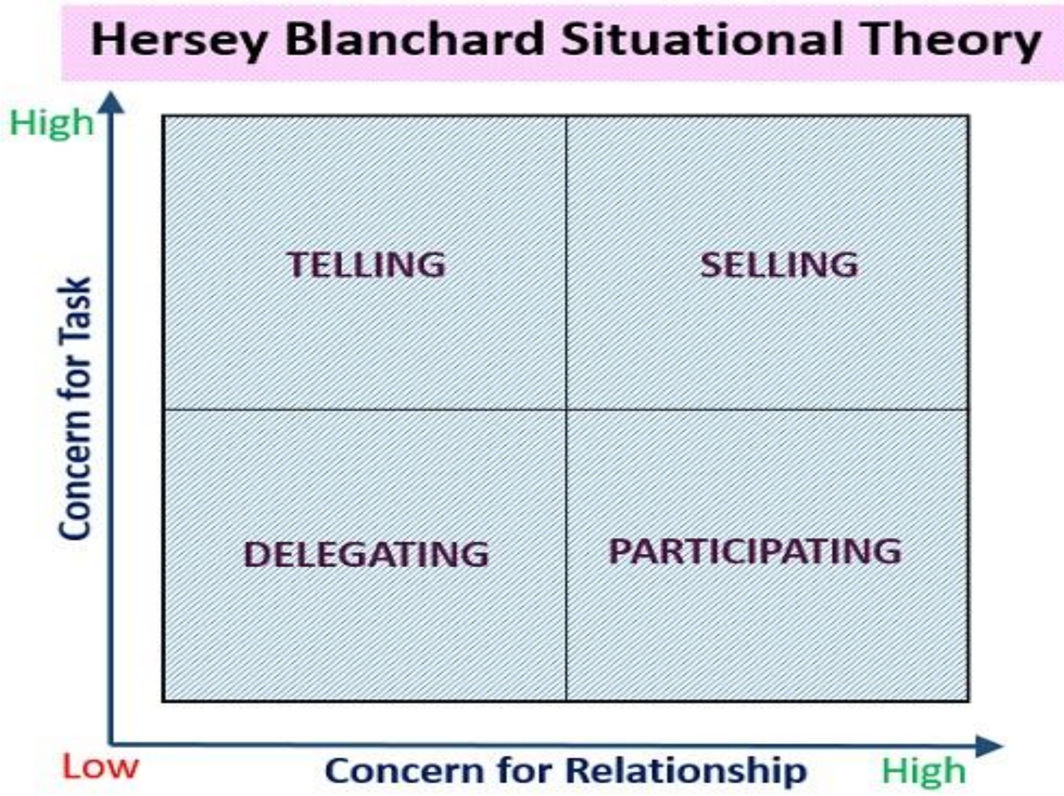


Figure:12 Hersey Blanchard Situational Theory

- **Telling**: When a new person enters the organisation, he has to be told everything, i.e. he is given training and orientation to make him understand the task to be performed.
- **Selling**: The leader leads by providing social and emotional support to the subordinates and convincing the groups to give maximum output.
- **Delegating**: The leaders are least concerned about and hardly interferes with the execution of the tasks. They are not even concerned about the subordinates and their issues.
- **Participating**: It is a democratic style where subordinates are allowed to participate in the decision-making process. Here, the leader is less focussed on the achievement of objectives.
- **Evans and House Path-Goal Theory**: The Path-Goal Theory was proposed by Robert J. House and Martin Evans in 1970s.

This theory pro-founded that leader's noticeable behaviour, and the situation in which he is placed are inter-connected. To increase the organisation's effectiveness, the managers should either match the situation with the leader's behaviour or change his behaviour

according to the situation in which he is placed. This theory focused on the need for flexibility while adopting different leadership styles in different situations.

The situational factors involved are Subordinate characteristics and Organisational environment. This model emphasised four different behaviours of a leader:

- Directive
- Supportive
- Participative
- Achievement-Oriented
- **Vroom-Yetton-Jago Decision-Making Model**: This model suggested that leadership style varies on the basis of the decision-making ability of the leaders in different situations. Leadership style was merely based on the degree of employee's contribution and activeness in the decision-making process

The various aspects taken into consideration were decision timeliness, decision acceptance and the decision quality. Following are the Leadership Styles derived out of this model:

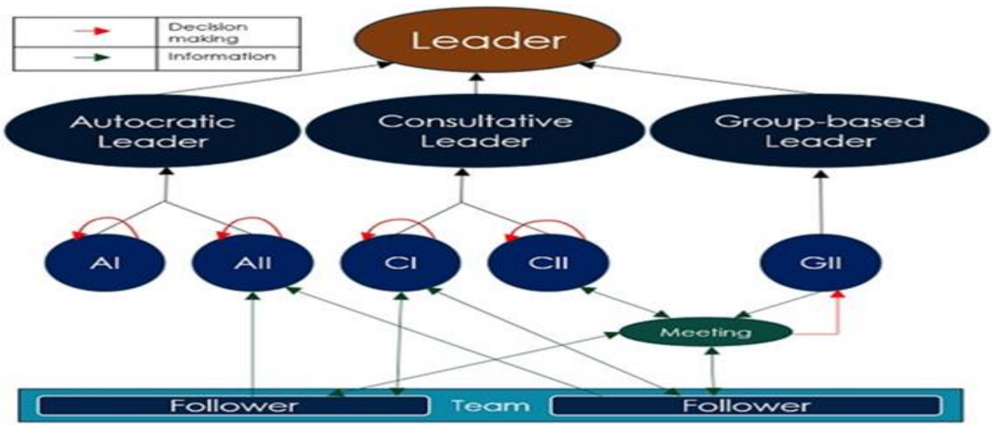


Figure :13 Vroom-Yetton-Jago Decision-Making Model

- **Autocratic (AI)**: The leader solely decides with the available information.
- **Autocratic (AII)**: This is stringic autocratic leadership style where the leader takes the opinion of group members to gather more information but may or may not share the final decision with the group members.
- **Consultative (CI)**: The leaders consult with the group members to explore opinions but solely takes the decision.
- **Consultative (CII)**: The leaders consult with the group members to explore opinions and also invites suggestions but solely takes the decision.
- **Collaborative (GII)**: The leader allows the group to take their own decisions collectively and plays a supportive role in the process.

- **Cognitive Resource Theory**: This theory explains that if the leader is experienced, he will be able to perform effectively even under the stressful situations whereas an intelligent leader performs well in less stressful situations.
- **Strategic Contingencies Theory**: This theory says that the effectiveness of a leader depends upon his problem-solving skills and ability to handle critical situations and make decisions wisely. A person with better problem-solving skills can secure his position and cannot be easily replaced.
    - **Charismatic Leadership Theory**: This theory believes that a leader must possess some extraordinary and exceptional qualities to become an effective leader. Such leaders lead by their key traits i.e

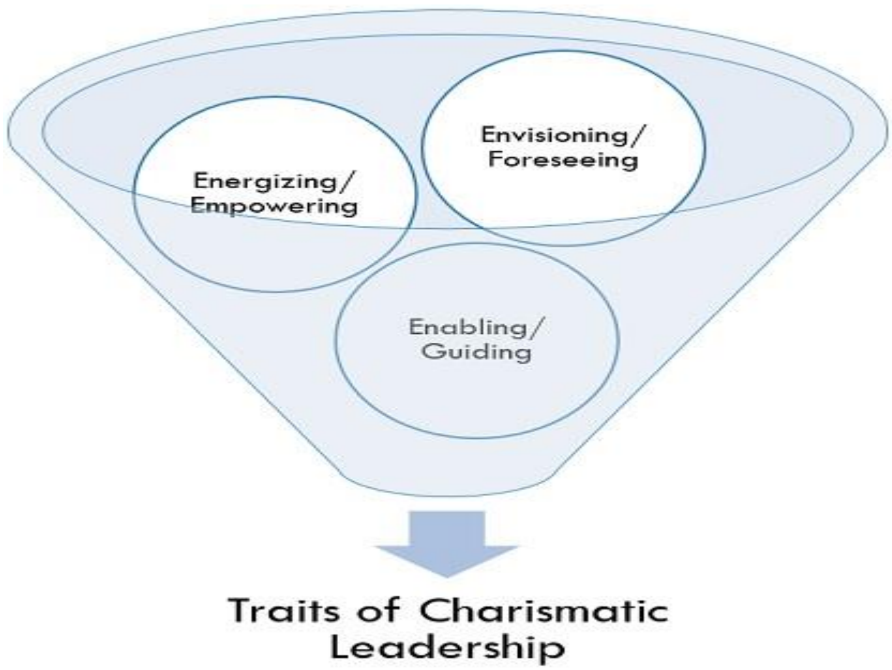


Figure :14 Traits of Charismatic Leadership

- **Envisioning/Foreseeing**: Leaders foresees future possibilities and create a vision accordingly, usually having high expectations and dreams.
- **Energizing/Empowering**: Leaders are highly enthusiastic, proactive, energetic and confidently aiming towards success.
- **Enabling/Guiding**: Leaders provide complete support and guidance and show compassion and trust in followers. Such leaders are highly focussed and committed towards their goal accomplishment.
    - **Transactional Leadership Theory**: Transactional Leadership Theory emphasises the realisation of a desired outcome and result. The leaders motivate the followers by way of a reward system, i.e. rewarding the performers and punishing the non-performers.

The theory emphasises maintaining a cordial relationship with the followers, leaders and followers must work mutually to meet organisational goals.

- **Transformational Leadership Theory**: The transformational theory states that a leader is effective only if he can transform or change the perceptions, behaviour and expectations of the followers and direct them towards a common goal which will lead to the accomplishment of the leader's vision. Such leaders have a charismatic and influential personality.

Following are the key factors behind Transformational Leadership:

- **Psychological transformation**: Bring about a change in the perception and mindset of the follower.
- **Influential**: Creates a strong impact on the followers.
- **Motivational**: Generates positive energy within followers.
- **Inspirational**: Encourages them to achieve something.
- **Individual impact**: Creates a powerful effect on the behaviour and perception of the followers.

From the above description, we can conclude that a leader needs to follow different leadership theories based on the situation and circumstances.

6.6. LEADERS VS MANAGERS

"Leadership and managership are two synonymous terms" is an incorrect statement. Leadership doesn't require any managerial position to act as a leader. On the other hand, a manager can be a true manager only if he has got the traits of leader in him. By virtue of his position, manager has to provide leadership to his group. A manager has to perform all five functions to achieve goals, i.e., Planning, Organizing, Staffing, Directing, and Controlling. Leadership is a part of these functions. Leadership as a general term is not related to managership. A person can be a leader by virtue of qualities in him. For example: leader of a club, class, welfare association, social organization, etc. Therefore, it is true to say that, "All managers are leaders, but all leaders are not managers."

A leader is one who influences the behavior and work of others in group efforts towards achievement of specified goals in a given situation. On the other hand, manager can be a true manager only if he has got traits of leader in him. Manager at all levels are expected to be the leaders of work groups so that subordinates willingly carry instructions and accept their guidance. A person can be a leader by virtue of all qualities in him.

Leaders and Managers can be compared on the following basis:

Basis	**Manager**	**Leader**
Origin	A person becomes a manager by virtue of his position.	A person becomes a leader on basis of his personal qualities.
Formal Rights	Manager has got formal rights in an organisation because of his status.	Rights are not available to a leader.
Followers	The subordinates are the followers	The group of employees whom the

	of managers.	leaders leads are his followers.
Functions	A manager performs all five functions of management.	Leader influences people to work willingly for group objectives.
Necessity	A manager is very essential to a concern.	A leader is required to create cordial relation between person working in and for organization.
Stability	It is more stable.	Leadership is temporary.
Mutual Relationship	All managers are leaders.	All leaders are not managers.
Accountability	Manager is accountable for self and subordinates behaviour and performance.	Leaders have no well defined accountability.
Concern	A manager's concern is organizational goals.	A leader's concern is group goals and member's satisfaction.
Followers	People follow manager by virtue of job description.	People follow them on voluntary basis.
Role continuation	A manager can continue in office till he performs his duties satisfactorily in congruence with organizational goals.	A leader can maintain his position only through day to day wishes of followers.
Sanctions	Manager has command over allocation and distribution of sanctions.	A leader has command over different sanctions and related task records. These sanctions are essentially of informal nature.

6.7. SOURCES OF POWER

Bertram Raven and John French, American sociologists, conceptualized five distinct sources of power in their landmark study in 1959: reward power, coercive power, legitimate power, expert power and referent power. Unlike leadership theories that look at the form of leadership a person in power should offer, such as values-based leadership or ethical leadership, this is focused on the basis or source of a leader's power.

6.7.1Sources of Management Power

According to Raven and French, the sources of management power are related to the followers' perception of the leader's position and qualities. These perceptions affect the leader's power and her ability to lead. This means that the power doesn't only come from the leader's actual role within the organisation, but is equally sourced from the beliefs of the followers. If the followers see value in someone as a leader, even if they are not in an actual position of power, that person will hold more power than someone who has hierarchical status but no respect from the followers.

The sociologists categorized the five sources of power into two areas; positional power, which is related to the leader's position in the organisation, and includes reward, coercive and legitimate powers; and personal power, which is related to the leader's intrinsic qualities, and refers to expert and referent powers.

The different kinds of power are not mutually exclusive and can be combined. For example, someone can have both reward power and referent power. One power can also lead to another power, like expert power leading to a promotion to gain legitimate power.

6.7.2Appreciating Reward Power

Positional power is based on the idea that if employees do their jobs well, they will be rewarded by the leader. It is assumed that as a society, people are more inclined to do things for others if they are getting something in return. Rewards can come in the form of salary increases, bonuses, additional paid vacation days, organizational awards, promotions and compliments. Within a business setting, this source of power can be used to motivate employees to go above and beyond their duties. Leaders within the business that hold reward power can use it to influence the performance of their followers.

While reward power can be one of the most motivational sources of power, problems can also arise due to the use of incentives. Sometimes, the reward being offered does not hold enough perceived value to others, such as a bonus that is only a nominal amount. As a result, the leader's power is weakened. Often, rewards need to be bigger and better than the previous time to entice employees to act. If given too often, rewards can lose their effectiveness. Also, if rewards are handed out unfavorably, such as to employees who do not necessarily deserve them, they can harm the morale of the company and cause employees to decrease productivity.

6.7.3Fearing Coercive Power

Coercive power, another positional power, is based on the idea that the leader can punish those who do not listen to his instructions. This source of power is used to enforce certain rules within the organization in a strict manner, scaring people into obeying to avoid punishment. Threats often used in companies that rely on coercive power include salary cuts, vacation day cuts and terminations. If used optimally, this source of power can result in improved performance of employees, ensuring that they challenge themselves to be better at work.

Coercive power requires employees to be compliant with the rules of the leader. Sometimes, this source of power can be abused, leading to problems in the workplace. Leaders who depend

on this type of power often lose the respect of their subordinates due to their use of constant threats. Coercive power can lead to dissatisfaction at work and creates an unwelcome and unproductive workplace culture.

6.7.4Using Legitimate Power

The last positional power, legitimate power is based on the leader's actual position within the hierarchy of the company. It's derived from the idea that employees accept the wishes of the leader because of her title and place within the business. As a result, this source of power enables the leader to give her subordinates orders, review their work and provide guidance and feedback.

For the leader to gain the respect of her employees within the organization, it's important that she has the experience, education and expertise to hold her title. If she doesn't, employees may question her legitimacy and she can lose her source of power because her followers no longer perceive her to be legitimate. Legitimate power can also be lost if the leader no longer holds that specific title. For example, if the leader was a marketing manager within a business and held legitimate power, she could lose that perception of legitimacy if she took a different role within the company. If she was demoted, for example, she would no longer be seen as someone with legitimate power. Because this kind of power is intrinsically linked to the job, it's often seen as a weak way to persuade and motivate employees.

6.7.5Respecting Expert Power

Part of the personal power category, expert power is based on the idea that the leader has superior expertise and knowledge within an organisation. In this case, the leader doesn't necessarily have to hold a leadership title; he can have power based solely on his knowledge. People who have unique specializations or have done extensive research in certain aspects of the business are valuable to the company. With this kind of expertise, someone with expert power persuades employees, delegates tasks and enforces guidelines. Often, people with expert power have the respect and admiration of their fellow workers.

By strategically offering their knowledge and experience to the company, someone with expert power can become indispensable to the organisation. This can result in promotions, where the expert power can be turned into legitimate power. Also, employees with expert power can be sought after by other organisations who want to leverage their knowledge and experience for their businesses.

6.7.6Admiring Referent Power

Referent power, another part of the personal power category, is based on the personality, charm and likability of the leader. Along with other sources of power, it's a helpful source of power in management. And the person with referent power doesn't even need to be in a position of authority to influence others. Their source of power is within themselves. A manager with referent power has strong relationships with employees. Similarly, employees with referent power interact well with other employees and may have close ties to people in leadership positions. They are often approachable and garner respect from their coworkers. Plus, they are relatable to many different kinds of people and seen as a role model employee.

Because people with referent power, managers and otherwise, have a lot of influence over others within the company, they have a lot of responsibility on their shoulders. While many people can handle this duty, some people can lose themselves and take advantage of how much others trust them.

6.8. POWER AND POLITICS

Power

- Definition: A capacity that **A** has to influence the behavior of **B**, so that **B** acts in accordance with **A**'s wishes.
- The definition implies a potential that need not be actualized to be effective and a dependency relationship. Power may exist but not be used. It is, therefore, a capacity or potential.

Contrasting Leadership and Power

Essentially, leaders achieve goals, and power is a means of facilitating their achievement

- Leadership involves the goals of the leaders and followers - Power does not
- Leadership focuses on downward influence (leader - subordinate) - Power does not

Bases of Power

Formal Power

- Coercive Power
  Power that is based on fear.
- Reward Power
  Compliance achieved based on the ability to distribute rewards that others view as valuable.
- Legitimate Power
  The power a person receives as a result of his or her position in the formal hierarchy of an organization.
- Information Power
  Power that comes from access to and control over information

Personal Power

- Expert Power
  Influence based on special skills or knowledge.
- Referent Power
  Influence based on possession by an individual or desirable resources or personal traits.
- Charismatic Power
  An extension of referent power stemming from an individual's personality and interpersonal style.

- The person can make things difficult for people, and you want to avoid getting him or her angry. [coercive power]

- The person is able to give special benefits or rewards to people, and you find it advantageous to trade favors with him or her. [reward power]

- The person has the right, considering his or her position and your job responsibilities, to expect you to comply with legitimate requests. [legitimate power]

- The person has the experience and knowledge to earn your respect, and you defer to his or her judgment in some matters. [expert power]

- You like the person and enjoy doing things for him or her. [referent power]

Dependency: The key to power

"The greater B's dependency on A, the greater the power A has over B"

What creates dependency?

- Importance, scarcity, nonsubstitutability

Power Tactics

- Ways in which individuals translate power bases into specific actions:
  1) Legitimacy
  2) Rational persuasion
  3) Inspirational appeals
  4) Consultation
  5) Exchange
  6) Personal appeals
  7) Ingratiation
  8) Pressure
  9) Coalitions

Power in groups: Coalitions

- Coalition – an informal group bound together by the active pursuit of a single issue
- Coalitions seek to maximize their size = "strength" in numbers

Sexual Harassment

- Unwelcome advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. Sexual harassment is about power.

POLITICS

Politics: Power in action

Political behavior are those activities that are not required as part of one's formal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization.
Legitimate and illegitimate political behaviors are common in organizations. Politics is a fact of life in organizations.

Factors contributing to Political Behavior

Individual factors (e.g., personality traits, needs)

Organizational factors (e.g., when organizational resources decline, resources change, low trust exists, high performance pressures, and the opportunity of promotion exists = political behavior is likely)

How do People Respond to Organizational Politics?

- Decreased job satisfaction, increased anxiety, increased turnover, and reduced performance

- Defensive Actions: Reactive and protective behaviors to avoid action, blame, or change

Impression Management

- The process by which individuals attempt to control the impression others form of them. Techniques include conformity, excuses, apologies, self-promotion, flattery, favors, and association.

Summary and Implications for Managers

- Power is a two-way street – others are trying to build power along with you
- Few employees relish being powerless in their jobs and organization.
- People respond differently to various power bases.
- Employees working under coercive managers are unlikely to be committed, and more likely to resist the manager.
- Expert power is the most strongly and consistently related to effective employee performance.
- The power of the boss may also play a role in determining your job satisfaction.
- The effective manager accepts the political nature of organizations.
- Regardless of level in the organization, some people are more politically "astute" than others.
- The politically naive and inept tend to feel continually powerless....

6.9. SUMMARY

People working in business enterprises need leaders who could be instrumental in guiding the efforts of group of workers to achieve the goals of both the individual and the organization. Leadership is a process of influence on a group. Leadership is the ability of a manager to induce subordinates to work with confidence and zeal. Leadership is a psychological process of influencing followers(subordinates)and providing guidance, directing and leading the people in

an organization towards attainment of the objectives of the enterprise. People working in an organisation need individuals(leaders)who could be instrumental in guiding the efforts of groups of workers to achieve goals and objectives of both the individuals and the organisation. The leader guides the action of others in accomplishing these tasks. power is based on the leader's actual position within the hierarchy of the company. It's derived from the idea that employees accept the wishes of the leader because of her title and place within the business. As a result, this source of power enables the leader to give her subordinates orders, review their work and provide guidance and feedback.

6.10. KEYWORDS

Leader
Leadership
Leadership styles
Theories of leadership
Power
Politics

6.11. CHECK YOUR PROGRESS QUESTIONS

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1. Explain the importance of leadership
2. What are the different types of leaders?
3. What do you mean by paternalistic leadership?
4. What do you mean by power and politics?

6.12. LESSON END ACTIVITY

"Leadership is the driving force for which get things done by others." Discuss.

6.13. QUESTIONS FOR DISCUSSION

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1. What is leadership? What are its styles?
2. Briefly discuss the essential opacities of leadership
3. Explain the various theories of leadership
4. "A Successful Leader is not necessarily effective." Comment.
5. "A good leader is one who understands his subordinates, their needs and their sources of satisfaction." Comment.
6. Explain the sources of power
7. Distinguish between leader vs manager

6.14. SUGGESTED READINGS

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UNIT VII- DYNAMICS OF ORGANISATION BEHAVIUOR

7.0 Aims and Objectives

7.1 Introduction

7.0 AIMS AND OBJECTIVES

The purpose of this lesson is learning about the dynamics of organisational behaviour. After studying this lesson you will be able to:

- Understand the dynamics of organisational behaviour

- Understand the concept of organisational culture
- Learn about the term organisational climate
- Describe the factors affecting organisational climate
- Study about job satisfaction

7.1. INTRODUCTION

Organisational dynamics is defined as the process of continuously strengthening resources and enhancing employee performances. It can also be described as how an organisation manages and promotes organisational learning, better business practices and management. There are four fundamental business activities that contribute to an organisation's dynamics. First, planning requires management to structurally define departments and divisions. Managers set measurable goals that will define future actions and decisions. Organisation culture is a system of shared beliefs' and attitudes that develop within an organization and guides the behviour of its members.

DYNAMICS OF ORGANISATIONAL BEHAVIOUR

These four dimensions of organizational behaviour dynamics are probed in succession in the following.

Environment

Organizations are complex open social systems that require effective exchanges with The environment to survive and prosper. In strategic management literature, macro-environmental factors are approached in political, economic, social and technological (PEST) terms. For the purpose of the present study, organisational environment is mainly characterized by the technology and societal culture bearing on the organisation. While technology has its basis in the hardware used and technical skills required by an organization, values, traditions, customs and habits compose the culture of a nation, which functions as mental programming (Hofstede, 1980) and reflectsthesoftpartsof organisations.



Figure:15 Dimensions of organisational Behaviour Dynamics

Organisational Design

Organisational design shapes OB, and decisions about structure and systems are key to implementing organisational strategies.

Leadership

Leadership values and styles influence organizational behaviour through choices about organizational design and strategies. Recent leadership research has been directed more carefully towards the situational, or relative, view of leadership. Although this appears to many people a more productive approach, the case is far from simple.

People

Without people who possess the ability to implement strategy and structural design, the organization cannot be effective. One of the important characteristics discussed as regards the nature of OB is normative behaviour in groups. An extremely complex relationship exists among such factors as group norms, conformity, cohesiveness, and group performance.

7.3. THE CONCEPT OF ORGANISATIONAL CULTURE

Organisation culture is the accumulated tradition of the organisational functioning. It is the general pattern of behaviour, shared values and beliefs that members have in common. Depending upon the pattern and stage of development, culture differs from society to society and passed on generation to generation. It guides the employees of an organization for better performance and more satisfaction. It influences everybody and is also influenced by everybody's thinking and action.

Levy-Bruhl (1923) defined that culture is found in "collective representation": the beliefs and values which are the unquestioned basic assumptions upon which rational arguments in that society (or organisation) are founded. Culture is a combination of factors that are learned through our interaction with the environment during our developmental and growth years. Developing a high performance culture in an organization may be brought through an interaction of the characteristics of the organisation with those of individuals and groups within the organisation. The organisational and managerial practices such a team, work, trust, leadership, communication, rewards and co-operation/partnerships among the various groups within the organisation would go a long way in developing positive attitudes and commitment which in turn, are likely to exert positive influence on performance and productivity. The term 'culture' has been extensively used by sociologist, 36 anthropologists, and dominantly by the behavioural scientists. To some it means the 'way things are done around here' or 'the personality of the organisation'.

In the words of Alan M. Wilson (2001), Organisational culture is the combination of employee's beliefs, norms and values derived from the organisational culture, influence the actions of employees, and the informal messages that they communicate. MacLachlan (1998) the world's foremost thinker on people management, has the chance to make a leading contribution to business success, but HR professionals need first to focus on outcomes and to develop "an attitude". Drennan (1992) culture is 'how things are done around here'. It is what is typical of an organisation, the habits, the prevailing attitudes, and the grown up patterns of accepted and expected behaviour.

The concept of Organisational culture developed very recently, is a concept that underlies these values, labels, and norms of the organisation. Culture makes the difference across organisations and their productivity. There is a need to measure organisational culture quantitatively in an objective manner for the comparative studies.

Sugato Lahiry (1992) holds organizational culture as a set of written rules that embodies the does and don't and shouldn't of the organization and tells its members how to interact with others and approach task in order to fit in and meet the firm's expectations.

According to Schein (1990), culture is what a group learns over a period 37 of time as it tries to solve its problems of survival in an external environment and its problems of internal integration. Moreover, such learning is simultaneously a behavioural, cognitive and emotional process. Georgiades (1987) defined it as 'a system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organisational structures and control systems to produce behavioural norms (the way we do things around here).

Rohner (1984) defines culture as 'the totality of equivalent and complementary learned meanings maintained by a human population, and transmitted from one generation to the next'.

Conner (1983) too defined (organisational) culture as 'the interrelationship of shared beliefs, behaviour and assumptions that are acquired over time by members of an organisation'.

Peters and Waterman (1982) offered a very simple description of culture as 'shared values'. The importance of it was highlighted by assigning it to the central position in the figure and indicated its overriding influence on the other six 'Ss', namely structure, strategy, system, staff, style and skills.

Triandis (1980) measured verbal behaviours in order to arrive at the subjective cultures in a number of countries. The behaviourist approach also includes the products of behaviour as a part of the material culture. Culture takes time to develop and after having come into being, acquires an enduring character that is resistant to change. Viewed thus, culture of an organisation can be characterised as follows: (i) the 38 prevailing beliefs, norms and values which serve to guide behaviour of individuals and groups; (ii) these are shared by people throughout the organisation; and (iii) culture is developed over a period of time. The collective beliefs, norms and values affect the daily behaviour of employees at two levels. The overt level represents observable, intentional and direct changes in behaviour in terms of performance, productivity, discipline, and efficiency at work. The covert level is characterised by obscure, unintentional and indirect influences on behaviour such as commitment to the job, pride in work and motivation, etc. A combination of these elements, high performance culture implies that the employees of the organisation make extra effort to be productive, accept change, do not neglect details, do their best, are willing to try something new, develop their talents/abilities, are proud of their abilities, enjoy their jobs, seek constant improvement and display confidence in management. Such a work culture promotes high morale, peak performance and higher productivity through most effective utilization of all resources and elimination of all wastes, material and human, leading to steady growth in the organisation and its members. In the rapidly changing business scenario, survival of many organisations is at stake. Consequent efforts to revive the organisations include mainly, a change in the culture of the organisation (so that organisation can adapt to external environment), a change in the management and employee relationship, and a holistic change in the attitudes of employees regarding routines, rewards, expectations and 39 values of the organisation. The idea of viewing organisations as cultures - where there is a system of shared meaning among members - is a relatively recent phenomenon. Fifteen years ago, organisations were for the most part, simply thought of as rational means by which to co-ordinate and control a

group of people. They had vertical levels, departments, authority relationships, and so forth. But organisations are more. They have personality too, just like individuals. They can be rigid or flexible, unfriendly or supportive, innovative or conservative. Organisational theorists, in recent years have begun to acknowledge this by recognizing the important role that culture plays in the lives of organisation members. There seems to be wide agreement that organisational culture refers to a system of shared meaning held by members that distinguishes the organisation from other organisations. This system of shared meaning is, on closer examination, a set of key characteristics that the organisation values.

7.3. ORGANISATIONAL CLIMATE

Organisations are social systems. Organisations combine science and people, technology and humanity. It is not possible for every organisation to have the same type of technology and people and so the organisations differ in their characteristics and internal environment.
The internal environment of an organisation may be called the organisational climate. **Organisational climate**, a guide for dealing with people serves as a major influence on motivation and productivity of individuals and total work force. Organisational climate may be noted as the 'personality' of an organisation as conceived by its employees. The **organisational climate** usually has a major influence on motivation, productivity and job satisfaction. The **organisational climate** is the major motivating factor responsible for satisfaction and dissatisfaction of employees in an organisation and affects the quantum of employees' turnover and satisfaction. It refers to the entire social system of a working group.
Campbell defines organisational climate as a "set of attributes specific to a particular organisation that may be deduced from the way that the organisation deals with its members and its environment".

7.4. FACTORS INFLUENCING ORGANISATIONAL CLIMATE

Organisational climate is a manifestation of the attitudes of organisational members towards the organisation. Researchers have used the data relating to individual perception of organisational properties in identifying organisational climate. Even in this context, there is a great amount of diversity.

Litwin and Stringer have included six factors which affect organisational climate. These factors are:

- Organisational Structure: Perceptions of the extent of organisational constraints, rules, regulations, red tape,
- Individual Responsibility: Feeling of autonomy of being one's own boss,
- Rewards: Feelings related to being confident of adequate and appropriate rewards,
- Risk and Risk Taking: Perceptions of the degree of challenge and risk in the work situation,

- Warmth and Support: Feeling of general good fellowship and helpfulness prevailing in the work setting.

- Tolerance and Conflict: Degree of confidence that the climate can tolerate, differing opinions.

7.5. JOB SATISFACTION

Job satisfaction is a psychological aspect. It is an expression of feeling about the job. **Job satisfaction** is an attitude. It is a permanent impression formed about the job. Employees interact with people and other resources while working with the job. In the process, they experience positive or negative feelings about the job context and content. The **concept of job satisfaction** has gained importance ever since the human relations approach has become popular.

7.5.1 Most Important Determinants of Job Satisfaction

Job satisfaction is intangible and it is multi-variable. A number of factors influence job satisfaction of employees. They can be classified into two categories. They are organisational and personal variables. They are discussed below:

A .Organisational Determinants:

Employees spend most of the time in organisations. Therefore, a number of organisational factors determine job satisfaction of the employees. Organisations can increase job satisfaction by organising and managing the organisational factors. Let us learn the organisation **determinants of job satisfaction**.

- 1.**Wages:** Wage is the amount of reward worker expects from the job. It is an instrument of fulfilling the needs. Everyone expects to get a commensurate reward. The wage should be fair, reasonable and equitable. A feeling of fair and equitable reward produces job satisfaction.

- **Nature of Work:** The nature of work has significant impact on the job satisfaction. Jobs involving intelligence, skills, abilities, challenges and scope for greater freedom make the employee satisfied on the job. A feeling of boredom, poor variety of tasks, frustration and failure leads to job dissatisfaction.

- **Working Conditions:** Good workings conditions are needed to motivate the employees. They provide a feeling of safety, comfort and motivation. Poor working conditions give a feeling that health is in danger.
- **Job Content:** Job content refers to the factors such as recognition, responsibility, advancement, achievement etc. Jobs involving variety of tasks and less repetitive result in greater job satisfaction. A job, having poor content produces job dissatisfaction.
- **Organisational Level:** Higher level jobs are viewed as prestigious, esteemed and opportunity for self-control. Employees working at higher level jobs express greater job satisfaction than the lower level jobs.
- **Opportunities for Promotion:** Promotion is an achievement in the life. Promotion gives more pay, responsibility, authority, independence and status. Therefore, opportunities for promotion determine the degree of satisfaction to the employees.

- **Work Group:** Existence of groups in organizations is a common phenomenon. It is a natural desire of human beings to interact with others. This characteristic results in formation of work groups at the work place. Isolated workers dislike their jobs. The work group exerts a tremendous influence on the satisfaction of employees. Satisfaction of an individual depends largely on the relationship with the group members, group dynamics, group cohesiveness and his own need for affiliation.
- **Leadership Styles:** Leadership style also determines the satisfaction level on the job. Democratic leadership style enhances job satisfaction. Democratic leaders promote friendship, respect and warmth relationships among the employees. On the other hand, employees working under authoritarian leaders express low level of job satisfaction.

B .Personal Determinants:

Job satisfaction relates to the psychological factors. Therefore, a number of personal factors determine the job satisfaction of the employees. They are mentioned below:

- **Personality:** Individual psychological conditions determine the personality. Factors like perception, attitudes and learning determine the psychological conditions. Therefore, these factors determine the satisfaction of individuals.
- **Age:** Age is a significant determinant of job satisfaction. Younger age employees possessing higher energy levels are likely to feel more satisfied. As employees grow older, aspiration levels increase. If they are unable to find their aspiration fulfilled, they feel dissatisfied.
- **Education:** Education provides an opportunity for developing one's personality. It enhances individual wisdom and evaluation process. Highly educated employees possess persistence, rationality and thinking power. Therefore, they can understand the situation and appraise it positively.
- **Gender Differences:** The gender and race of the employees determine Job satisfaction. Women are more likely to be satisfied than their counterpart even if they are employed in small jobs.

Certain other factors that determine job satisfaction are learning, skill autonomy, job characteristics, unbiased attitude of management, social status etc. Managers should consider all these factors in assessing the satisfaction of the employees and increasing their level of job satisfaction.

Many organisations face challenges in accurately measuring **job satisfaction**, as the definition of satisfaction can differ among various people within an organisation.

Despite widespread belief to the contrary, studies have shown that high-performing employees do not feel satisfied with their job simply as a result of high-level titles or increased pay.

This lack of correlation is a significant concern for organisations since studies also reveal that the implementation of positive HR practices results in financial gain for the organisations.

A person's job is more than just the obvious activities of shuffling papers, writing programming code, waiting on customers, or driving a truck.

Jobs require interaction with co-workers and bosses, following organisational rules and policies, meeting performance standards, living with working conditions that are often less than ideal, and the like.

This means that an employee's assessment of how satisfied or dissatisfied he or she is with his or her job is a complex summation of a number of discrete job elements.

Most used approaches to measuring job satisfaction of the employees are;

- Single Global Rating.
- Summation Score.

- Job Diagnostic Survey.
- Job Satisfaction Index.
- Job Satisfaction Survey.
- Minnesota Satisfaction Questionnaire.
- Job Satisfaction Relative to Expectations.
- Global Job Satisfaction.
- Job Descriptive Index (JDI).

Single Global Rating

The single, global rating method is nothing more than asking individuals to respond to one question such as "All things considered, how satisfied are you with your job?

Summation Score

It identifies key elements in a job and asks for the employee's feelings about each.

Typical factors that would be included are the nature of the work, supervision, present pay, promotion opportunities, and relation with co-workers.

Beside this, in summation score, many researchers used so many ways of measuring job satisfaction;

Job Descriptive Index (JDI)

In 1969, this was originally developed by Smith, Kendall, and Hulin.

There are 72 items in this index which assess five facets of job satisfaction which includes: the work, pay, promotions, supervision, and coworkers.

Through the combination of ratings of satisfaction with the faces, a composite measure of job satisfaction is determined.

Global Job Satisfaction

In 1979, Warr, Cook, and Wall developed this measure which includes 15 items to determine overall job satisfaction.

Two subscales are used for extrinsic and intrinsic aspects of the job. The extrinsic section has eight items and the intrinsic has seven items

Job Satisfaction Relative to Expectations

Bacharach, Bamberger, and Conley developed this measure.

It assesses the degree of agreement between the perceived quality of broad aspects of a job and employee expectations.It is most effective to determine how job stresses,'role conflicts, or role ambiguities can hinder an employee from meeting job expectations.

Minnesota Satisfaction Questionnaire

The long form of this survey is made up of 100 questions based on 20 subscales which measure satisfaction with ability, utilization, achievement, activity, advancement, authority, company policies and practices, compensation, co-workers, creativity, independence, moral values, recognition, responsibility, security, social service, social status, supervision- human relations, supervision-technical variety, and working conditions.

Job Satisfaction Survey

This was developed by Spector and contains 36 items based on nine job facets. The job facets include pay, promotion, supervision, benefits, contingent rewards Operating procedures, co-workers, nature of work and communication.

When it was initially developed, it was specific to job satisfaction in human service, nonprofit and public organisations.

Job Satisfaction Index

Schriescheim and Tsue developed this measure. It consists of six items that form an index which determines overall job satisfaction. The items are the work, supervision, co-workers, pay, promotion opportunities, and the job in general.

Job Diagnostic Survey

Hackman and Oldham developed this survey which measures both overall and specific facets of job satisfaction.

There are three dimensions of overall job satisfaction which includes general satisfaction, internal work motivation, and growth satisfaction, which are combined into a single measure.

The facets which are measured on the survey include security, compensation, co-workers, and supervision.

Conclusion

Before measuring job satisfaction of the employees, managers should get information about the daily contacts and existing data related to the employee. Managers should have the contact with their employees through constant interaction and communication. Generally, there are a number of indicators already available in the organisation! and their collection in the form of reports indicates the degree of employee satisfaction or dissatisfaction.

7.6. SUMMARY

Organisation culture is the accumulated tradition of the organisational functioning. It is the general pattern of behaviour, shared values and beliefs that members have in common. Organisational climate may be noted as the 'personality' of an organisation as conceived by its employees. The organisational climate usually has a major influence on motivation, productivity and job satisfaction. Job satisfaction is a psychological aspect. It is an expression of feeling about the job. Job satisfaction is an attitude. It is a permanent impression formed about the job. Employees interact with people and other resources while working with the job.

7.7. KEYWORDS

Organisational dynamics
Organisational culture
Organisational climate
Job Satisfaction

7.8. CHECK YOUR PROGRESS QUESTIONS

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1. What is Organizational Dynamics?
2. What is Organizational Culture?
3. Define Organizational Climate

7.9. LESSON END ACTIVITY

Cultural systems may be considered as product of action as well as the conditioning elements of future action. Do you think this is true? Develop an argument to justify your answer.

7.10. QUESTIONS FOR DISCUSSION

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1. Define Organizational Culture
2. Explain the concept of Organisational Culture
3. Explain the concept of Organisational Climate
4. Explain Job Satisfaction
5. Describe the Determinants of Job Satisfaction

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UNIT -VIII- ORGANISATIONAL CHANGE

8.0 Aims and objectives

8.1 Introduction

8.2 Organisational Change Meaning

8.3 Importance of Organisational Change

8.4 Process of Organisational Change

8.0 AIMS AND OBJECTIVES

This lesson is intended to discuss integrative approach to organization change. After studying this lesson you will be able to:

- To Understand meaning and forms of organization change
- To Explain various forces of change
- To Know how to manage organizational change
- To Identify the reasons for resistance to change
- To Describe the organizational effectiveness

- To Know the application of transactional analysis

8.1 INTRODUCTION

There is nothing permanent except change. It has become an inescapable fact of life: a fundamental aspect of historical evolution. Change is inevitable in a progressive culture. Change in fact, is accelerating in our society. Revolutions are taking place in political, scientific, technological and institutional areas. Organisation cannot completely buffer themselves from this environmental instability. Change is induced by an internal and external forces. An organisation lacking adaptability to change has no future. Adaptability to change is a necessary quality of a good management.

8.2 ORGANISATIONAL CHANGE MEANING

Organisational change refers to any alteration that occurs in total work environment. Organisational change is an important characteristic of most organisations. An organisation must develop adaptability to change otherwise it will either be left behind or be swept away by the forces of change. Organisational change is inevitable in a progressive culture. Modern organizations are highly dynamic, versatile and adaptive to the multiplicity of changes.

Organisational change refers to the alteration of structural relationships and roles of people in the organization. It is largely structural in nature. An enterprise can be changed in several ways. Its technology can be changed, its structure, its people and other elements can be changed. Organisational change calls for a change in the individual behaviour of the employees.

Organisations survive, grow or decay depending upon the changing behaviour of the employees. Most changes disturb the equilibrium of situation and environment in which the individuals or groups exist. If a change is detrimental to the interests of individuals or groups, they will resist the change.

8.3 IMPORTANCE OF ORGANISATIONAL CHANGE

Organisational change is a fundamental strategy for ensuring that a public organisation remains relevant in a changing environment. Anderson and Anderson (2011) convey that an organisation that is able to manage change well will maintain its productivity and relevance over time. That an organisation that is not able to change will become increasingly dysfunctional, unproductive and irrelevant. An organization in which change is not managed well will suffer greater costs-in terms of finances, opportunity, productivity and reputation-than necessary when trying to change, (Anderson and Anderson 2011).

Organizational change is driven by many forces, including:

- Growth opportunities
- Marketplace demand
- Competitor pressure
- Technological innovation

Today, technological innovation continually disrupts industry after industry.

New innovations give rise to new products, new services, new business processes, and much more.

This disruption, in turn, spurs many of the other change drivers mentioned above…

- New technology opens up new growth opportunities
- Customers who experience new technologies begin to expect them
- Competitors innovate, pressuring their marketplace to keep up

Any business that wants to stay ahead in the digital age should definitely understand the importance of change management and continual change.

The Importance of Continual Change

Organisational change is often viewed as a discrete process. Change projects begin, end, and then the organisation goes "back to normal." However, this approach doesn't scale well or fare well in an environment that is constantly shifting.

After all:

- Technological innovation continues to accelerate
- Disruption is continually driving marketplace evolution
- Businesses that don't continually change with their markets will fall behind
- Those that change more quickly can gain an edge over their competitors
- Ultimately, organisations that use obsolete processes or tools won't be able to participate in the global economy

The internet boom, the mobile revolution, cloud computing, AI, and many other waves of disruption can serve as lessons.

Innovators in these areas leaped ahead.

Laggards either fell behind or failed completely.

Each new wave of technology opens up new frontiers: new competitors come in, slow businesses fall behind, and a few are pushed out.

To stay competitive, businesses should:

- **Develop a mindset geared towards continuous change.** The most fundamental ingredient for continual change is commitment. Change managers, executives, employees, and other stakeholders must accept that continuous change is necessary. This may require a strategic communications campaign and applied effort, but it's a necessary step.
- **Build cultures that are innovative and open to change.** Culture plays a large role in any change process. Cultures that are open to change, for instance, will change more quickly,

more easily, and more efficiently. Those that resist change, on the other hand, will only hamper change efforts.

- **Focus on adaptability and agility.** Agile change management, product development, and other business processes have become quite popular in recent years. And there is good reason – agile processes are more adaptable and responsive than static "waterfall" approaches.
- **Evolve their change management capabilities.** Enterprise change management – a company's change management function – should be as mature as possible. Continuous change should not be attempted by organisations with immature change management capabilities. Structured, sophisticated approaches are necessary to succeed.
- **Emphasize speed.** Companies that can change more quickly will have more success in every area of their business. They will be able to introduce new ideas more quickly, adopt new technology more quickly, train employees more efficiently, workers will become productive more quickly, and so on and so forth.
- **Exploit modern tools and technology.** There are plenty of tools that can improve change management. Digital adoption platforms, project management tools, business process automation, and data technology are a few examples. All of these can improve change management itself, increasing efficiency, driving down costs, and improving outcomes.

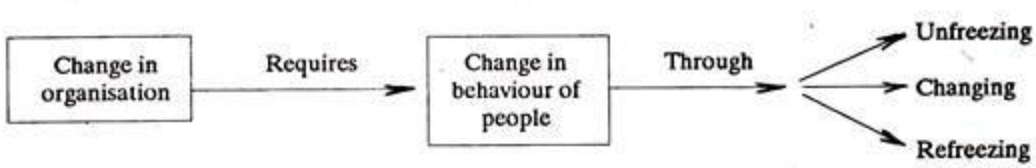
These are just a few ways that organizations should prepare for the digital age.

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8.4 PROCESS OF ORGANISATIONAL CHANGE:

Unless the behavioural patterns of the employees change, the change will have a little impact on the effectiveness of the organisation.

A commonly accepted model for bringing change in people was suggested by Kurt Lewin in terms of three phase process:-



1. Unfreezing:

The essence of unfreezing phase is that the individual is made to realize that his beliefs, feelings and behaviour are no longer appropriate or relevant to the current situation in the organisation. Once convinced, people may change their behaviour. Reward for those willing to change and punishment for others may help in this matter.

2.Changing:
Once convinced and ready to change, an individual, under this phase, learns to behave in new ways. He is first provided with the model in which he is to identify himself. Gradually he will accept that model and behave in the manner suggested by the model. In another process (known as internalisation), the individual is placed in a situation where new behaviour is demanded of him if he is to operate successfully.

3. Refreezing:
During this phase, a person has to practice and experiment with the new method of behaviour and see that it effectively blends with his other behavioural attitudes. Reinforcement, for creating a permanent set in the individual, is provided through either continuous or intermittent schedules.

8.5 RESISTANCE TO ORGANISATIONAL CHANGE:

Resistance to change is perhaps one of the baffling problems a manager encounters because it can take many shapes. People may resign, they may show tardiness, loss of motivation to work, increased absenteeism, request for transfer, wild-cat strikes, shoddy work, reduction in productivity etc.

Classification of Resistance to Change:
Resistance to change may be classified as:
1. Industrial Resistance
2. Organisational Resistance

1. Industrial Resistance:
Individual resistance may be there because of the following reasons:
A. Economic Reasons:
(a) Obsolescence of Skills:
When a person feels that with the introduction of newer processes, his skills will just become obsolete, he will resist the change. For example, a twenty years experienced accountant is quite likely to resist the introduction of a computer for preparing the wage bills because he feels that might affect his pay and position.

(b) Fear of Economic Loss:
People resist change if it opens the possibility of lowering their income directly or indirectly.

B. Personal Reasons:
a. Ego Defensiveness:
A sales manager may turn down the suggestions of a salesman simply because the manager perceives that his ego may be deflated by accepting the suggestion.

b. Status Quo:
Most of the people feel comfortable with status quo and strongly resist change as it may involve uncertainty and risk.

c.Fear of Unknown:
Change presents unknown and unknown poses a constant threat and sores people. For fear of unknown, a manager may refuse promotion that requires his relocating in another state.

C. Social Reasons:
a. Social Displacement:
Introduction of change (e.g., relocating) may result in breaking up of work groups and thus result in disturbance of the existing social relationships of people.

b.Peer Pressure:

Whenever change is unwilling to the peers, they force the individual subordinate employees who are bent of accepting the change, to resist it.

2. Organisational Resistance:

Resistance may also be present at organisational level. Some organisations are so designed that they resist innovations.

Some of the reasons of organisational resistance are:

(a) Threats to Power and Influence:

Some people (especially sitting at the top levels) resist change because they feel that a change might affect their position, power and influence in the organisation.

(b) Organisational Structure:

Some organisation structures (e.g., bureaucratic structure) have inbuilt mechanism for resistance to change.

(c) Resource Constraints:

Non-availability of financial, material and human resources may also act as a resistance to change.

(d) Sunk Cost:

In some companies, heavy capital is blocked in the fixed or permanent assets. If such an organization wishes to introduce change, then difficulty arises because of these sunk costs.

8.5.1 Overcoming Resistance to Organisational Change

Change creates tension and emotional turmoil in the minds of employees. Change thus results in resistance quite frequently, negative reactions doom the success of the change program especially when a manager is unable to handle it properly.

Some of the techniques to handle the change properly and to deal with resistance to change are:

a. Education and Communication:

One of the easiest techniques to overcome resistance to change is to educate the people who resist it. In many cases, people do not properly understand the change and hence become afraid of its consequences and resist change.

b. Participation and Involvement:

If subordinates are allowed to participate and involve themselves in the change process (decision-making regarding the implementation of the change), their misunderstandings about the consequences of change are cleared, they generally feel satisfied and do not oppose change.

c. Support:

Support may be facilitative and emotional. Managers sometimes deal with potential resistance by being supportive. This includes listening, providing emotional support, providing training in new skills etc.

d. Incentives:

Offering incentive is another fruitful way to overcome resistance to change.

e. Manipulation:

Managers generally indulge in manipulation when all other tactics have failed to overcome resistance to change.

f. Coercion:

At times, there is no way except to deal with resistance coercively. People are forced to accept change by threatening them with loss of their jobs, promotion possibilities and so forth.

8.6 ORGANISATIONAL EFFECTIVENESS

Organisational effectiveness can be defined as the efficiency with which an association is able to meet its objectives. This means an **organisation** that produces a desired effect or an **organisation** that is productive without waste.

Almost all organisational behaviour theories have the implicit or explicit objective of making organisations more effective. Indeed, organisational effectiveness is considered the 'ultimate dependent variable' in organisational behaviour. The first challenge, however, is to define organisational effectiveness - A broad concept represented by several perspectives, including the organisation's fit with the external environment, internal subsystems configuration for high performance, emphasis on organisational learning and ability to satisfy the needs of key stakeholders. Experts agree that this topic is burdened with too many labels—organisational performance, success, goodness, health, competitiveness, excellence and so on—with no consensus on the meaning of each label.

Long ago, organisational effectiveness was defined as the extent to which an organisation achieved its stated goals. According to this view, Wesfarmers is effective because it achieves its stated objectives, such as achieving specific weekly sales targets at Coles or coal production output at Curragh Queensland Mining. The goal-attainment view is no longer accepted, however, because a company can be considered effective simply by establishing easily achievable goals. Also, some goals—such as social responsibility to the community—are so abstract that it is difficult to know how well the organisation has achieved them. A third flaw with the goal-attainment definition is that a company's stated objectives might threaten its long-term survival. For example, some corporate leaders receive incentives (such as stock options) to maximise short-term profits. Some accomplish this objective by slashing expenditures, including funds for marketing and product development. The result is often a lack of new products and deterioration in the company's brand value in the long run. In extreme cases, the company achieves its short-term profitability targets but eventually goes out of business.

How is organisational effectiveness defined today? The answer is that there are several perspectives of effectiveness, so this concept is defined by all of these perspectives together. Organisations are considered effective when they have a good fit with their external environment, when their internal subsystems are efficient and effective (i.e. high-performance work practices), when they are learning organisations and when they satisfy the needs of key stakeholders. Over the next few pages, we will discuss each of these four perspectives of organisational effectiveness in some detail.

8.6.1 Open-Systems Perspective

The open-systems perspective of organisational effectiveness is one of the earliest and deeply entrenched ways of thinking about organisations. Indeed, the other major perspectives on

organisational effectiveness might be considered detailed extensions of the open-systems model. As depicted in the open-systems perspective views organisations as complex organisms that ‘live’ within an external environment. The word open describes this permeable relationship, whereas closed systems can exist without dependence on an external environment.

As open systems, organisations depend on the external environment for resources, including raw materials, employees, financial resources, information and equipment. Wesfarmers and other companies could not survive without employees, raw materials, knowledge and so forth. The open-systems perspective also describes numerous subsystems within the organisation, such as processes (communication and reward systems), work units (production, marketing) and social dynamics (informal networks, power relationships). With the aid of technology (such as equipment, work methods and information), these subsystems transform inputs into various outputs. Some outputs (e.g. products and services) may be valued by the external environment, whereas other outputs (e.g. employee layoffs, pollution) have adverse effects. The organisation receives feedback from the external environment regarding the value of its outputs and the availability of future inputs.

According to the open-systems perspective, successful organisations monitor their environments and are able to maintain a close fit with changing conditions. One way they do this is by finding new opportunities to secure essential inputs. For instance, many fast-food restaurants struggle to find enough employees, but McDonald's Restaurants has identified several ways to ensure that it has enough qualified staff. It was among the first to recruit retirees. McDonald's UK introduced the ‘family contract’, which allows members of the employee's family (spouses, grandparents and children over the age of 16 to swap shifts without notifying management. Successful organisations also redesign outputs so that they remain compatible with demands from the external environment. For example, sensing a need for environmental responsibility, Bunnings was one of the first companies in this region to discourage use of plastic bags. Similarly, in response to consumer demand and government requirements, car manufacturers have been scrambling to design models that are more fuel-efficient or rely on different energy sources. This open-systems view is reflected in the words of Huh Chang-soo, chairman of Korean conglomerate GS Group: ‘Customer needs are changing fast. If we do not detect the changes, and act on them in a timely way, such as by making investments, we will fail.’

8.6.2 Internal-Subsystems Effectiveness

The open-systems perspective considers more than an organisation's fit with the external environment. It also examines how well the organisation operates internally, that is, how well it transforms inputs into outputs. The most common indicator of this internal transformation process is organisational efficiency The amount of outputs relative to inputs in the organisation's transformation process. (also called productivity), which is the amount of outputs relative to inputs. Companies that produce more goods or services with less labour, materials and energy are more efficient.

A popular strategy for improving efficiency in the transformation process is lean management A cluster of practices to improve organisational efficiency by continuously reducing waste, unevenness and overburden in the production process. Based on practices

developed by the Toyota Motor Company, lean management involves continuously reducing waste, unevenness and overburden in the production process. Waste (called muda) takes many forms, such as excess travel of the product or service through the production process, too much time during which the work is sitting idle (waiting for the next step in production), too much inventory, too much physical movement of employees and too much finished product without a buyer. Lean management also involves minimising situations in which people and equipment are overloaded (too much demand per unit time) and smoothing out the production process (e.g. reducing bottlenecks).

Keep in mind that efficiency does not necessarily translate into effectiveness. Efficiency is about doings things right, whereas effectiveness is about doing the right things. A company might be highly efficient at making a product or providing a service, but it will be ineffective if no one wants that product or service, for example. Also, efficiency often requires standardisation, whereas companies operating in rapidly changing environments need to remain nimble and responsive. Organisations often need more adaptive and innovative transformation processes, not just more efficient ones. For example, German engineering conglomerate Siemens AG has an effective transformation process because its subsystems are innovative and responsive, not necessarily the most efficient. 'Whether I have additional costs or not doesn't matter as much as the speed to market and the quality of the design,' says a Siemens executive. 'We're not talking about a pure cost game.'

Another important issue in the transformation process is how well the organisation's subsystems coordinate with each other. The more each subsystem depends on other subsystems, the higher the risk of problems that undermine the transformation process. Information gets lost, ideas are not shared, materials are hoarded, communication messages are misinterpreted, resources and rewards are distributed unfairly, and so forth. These coordination challenges are amplified as organisations grow, such as when employees are clustered into several departments and when departments are clustered into several organisational divisions. That is why even the best-laid plans produce unintended consequences. A slight change in work practices in one subsystem may ripple through the organisation and affect other subsystems in adverse ways. For example, an adjustment in accounting procedures might have the unintended effect of motivating sales staff to sell more products with a lower profit margin, or discouraging administrative staff from accurately completing documents that are vital for executive decisions.

8.6.3 Organisational Learning Perspective

The open-systems perspective has traditionally focused on physical resources that enter the organisation and are processed into physical goods (outputs). This was representative of the industrial economy but not the 'new economy', in which the most valued input is knowledge. Accordingly, knowledge is the driver of competitive advantage in the organisational learning A perspective which holds that organisational effectiveness depends on the organisation's capacity to acquire, share, use and store valuable knowledge. perspective (also called knowledge management). Through this lens, organisational effectiveness depends on the organisation's

capacity to acquire, share, use and store valuable knowledge. To understand knowledge acquisition, sharing and use, consider how Google engages in organisational learning. Knowledge acquisition occurs when information is brought into the organisation from the external environment. Google acquires knowledge by hiring the best talent and buying entire companies (such as Keyhole, Inc., whose knowledge created Google Earth). Knowledge acquisition also includes the process of creative insight—experimenting and discovering new ideas. Google encourages this by allowing engineering staff to allocate 20 per cent of their time to discovering new knowledge of their choosing.

Knowledge sharing refers to the distribution of knowledge throughout the organisation. Google encourages knowledge sharing by organising employees into teams so they share information as part of their job. Its campus-like environments (called Googleplexes) increase the chance that employees from different parts of the organisation will mingle and casually share information, whether dining at the company's subsidised gourmet restaurant or playing a game of volleyball in the sports area. Google also relies on sophisticated information technologies—wikis, blogs and intranet repositories—to support knowledge sharing.

Knowledge use is the application of knowledge in ways that improve the organisation's effectiveness. Google encourages knowledge use by giving employees the freedom to apply their new-found knowledge and encouraging them to experiment with that knowledge. 'Google is truly a learning organisation,' says Google's chief financial officer, George Reyes.

Even if every employee left the organisation, intellectual capital would still remain as structural capital. This includes the knowledge captured and retained in an organisation's systems and structures, such as the documentation of work procedures and the physical layout of the production line. Structural capital also includes the organisation's finished products because knowledge can be extracted by taking them apart to discover how they work and are constructed (i.e. reverse engineering). Finally, intellectual capital includes relationship capital, which is the value derived from an organisation's relationships with customers, suppliers and others who provide added mutual value for the organisation.

8.6.4. Organisational Memory and Unlearning

Corporate leaders need to recognise that they are the keepers of an organisational memory The storage and preservation of intellectual capital. This unusual metaphor refers to the storage and preservation of intellectual capital. It includes knowledge that employees possess as well as knowledge embedded in the organisation's systems and structures. It includes documents, objects and anything else that provides meaningful information about how the organisation should operate.

How do organisations retain intellectual capital? One way is by keeping good employees. Progressive companies achieve this by adapting their employment practices to become more compatible with emerging workforce expectations, including work–life balance, an egalitarian hierarchy and a workspace that generates more fun. A second organisational memory strategy is to systematically transfer knowledge to other employees. This occurs when newcomers apprentice with skilled employees, thereby acquiring knowledge that is not documented. A third strategy is to transfer knowledge into structural capital. This includes bringing out hidden

knowledge, organising it and putting it in a form that can be available to others. Reliance Industries, India's largest business enterprise, applies this strategy by encouraging employees to document their successes and failures through a special intranet knowledge portal. One of these reports alone provided information that allowed others to prevent a costly plant shutdown.

The organisational learning perspective states not only that effective organisations learn, but also that they unlearn routines and patterns of behaviour that are no longer appropriate. Unlearning removes knowledge that no longer adds value and, in fact, may undermine the organisation's effectiveness. Some forms of unlearning involve replacing dysfunctional policies, procedures and routines. Other forms of unlearning erase attitudes, beliefs and assumptions. For instance, employees may rethink the 'best way' to perform a task and how to serve clients.

The HPWP perspective begins with the idea that human capital—the knowledge, skills and abilities that employees possess—is an important source of competitive advantage for organisations. Human capital helps the organisation realise opportunities or minimise threats in the external environment. Furthermore, human capital is neither widely available nor easily duplicated. For instance, a new company cannot quickly acquire a workforce with the same capabilities as those of the workforce at an established company. Nor can technology replace the capabilities that employees bring to the workplace. In short, human capital is valuable, rare, difficult to imitate and nonsubstitutable. Therefore, organisations excel by introducing a bundle of systems and structures that leverage the potential of their workforce.

Many high-performance work practices have been studied over the years. Four practices with strong research support are employee involvement, job autonomy, employee competence, and performance and/or skill-based rewards. As you will learn later in this book, employee involvement and job autonomy tend to strengthen employee motivation as well as improve decision making, organisational responsiveness and commitment to change.

Another key variable in the HPWP model is employee competence. Specifically, organisations are more effective when they recruit and select people with relevant skills, knowledge, values and other personal characteristics. Furthermore, successful companies invest in their employees by supporting further competency develope. A fourth characteristic of high-performance organisations is that they link performance and skill development to various forms of financial and nonfinancial rewards valued by employees. We discuss reward systems in as one of several practices to improve employee performance.

The HPWP perspective is currently popular among OB experts and practitioners, but it also has its share of critics. One concern is that many studies try to find out which practices predict organisational performance without understanding why those practices should have this effect. In other words, some of the practices identified as HPWPs lack theoretical foundation; the causal connection between work practices and organisational effectiveness is missing. Without this explanation, it is difficult to be confident that the practice will be valuable in the future and in other situations.

A second concern with the HPWP perspective is that it may satisfy shareholder and customer needs at the expense of employee wellbeing. Some experts point out that HPWPs increase work stress and that management is reluctant to delegate power or share the financial benefits of productivity improvements. If high-performance work practices improve organisational performance at a cost to employee wellbeing, then this perspective (along with the open-systems and organisational learning perspectives) offers an incomplete picture of organisational

effectiveness. The remaining gaps are mostly filled by the stakeholder perspective of organisational effectiveness.

8.6.5 Stakeholder Perspective

The three organisational effectiveness perspectives described so far mainly consider processes and resources, yet they only minimally recognise the importance of relations with stakeholders. Stakeholders include individuals, organisations and other entities that affect, or are affected by, the organisation's objectives and actions. They include anyone with a stake in the company—employees, shareholders, suppliers, labour unions, governments, communities, consumer and environmental interest groups, and so on. The essence of the stakeholder perspective is that companies must take into account how their actions affect others, and this requires that they understand, manage and satisfy the interests of their stakeholders. The stakeholder perspective personalises the open-systems perspective; it identifies specific people and social entities in the external and internal environment. It also recognises that stakeholder relations are dynamic; they can be negotiated and managed, not just taken as a fixed condition.

8.7 TRANSACTIONAL ANALYSIS

Definition: The **Transactional Analysis** refers to the psychoanalytic process wherein the interpersonal behaviors are studied. The **transactional analysis** gives birth to several models that help in explaining the relationship formed between the individuals as a result of their interactions.

8.8 APPLICATION OF TRANSACTIONAL ANALYSIS

Transactional Analysis (TA), thus, facilitates communication. TA studies transactions amongst people and understands their interpersonal behaviour. It was developed by Eric Berne, a psychotherapist. He observed there are several ‘people’ inside each person who interact with other people in different ways.

To understand TA, one should understand the following:

1. Ego States,
2. Life Position and
3. Analysis of Transactions.

1. Ego States:

It represents a person’s way of thinking, feeling and behaving. There are three ego states present in everyone: child, parent and adult. They are related to behaviour of a person and not his age. However, they are present in every person in varying degrees. There may be more of one ego state than another at a specific point of time. When two persons communicate with each other, communication is affected by their ego states. These are;

Child ego:

Child behaviour reflects a person's response to communicate in the form of joy, sorrow, frustration or curiosity. These are the natural feelings that people learn as children. It reflects immediate action and immediate satisfaction. It reflects childhood experience of a person gained generally up to the age of five years.

A child can be:

(i) Natural child:

He is naturally curious, joyous or scornful. He does what comes his way naturally.

(ii) Adaptive child:

He reacts the way his parents want him to react. He is trained to act.

(iii)Rebellious child:

He is naturally curious, joyous or scornful. He does what comes his way naturally.

(ii) Adaptive child:

He reacts the way his parents want him to react. He is trained to act.

(iii)Rebellious child:

He has the experience of fear, frustration and anger.

(b) Parent Ego:

Parent behaviour is acquired through external environment. As young children, their parents' behaviour remains embedded in their minds which is reflected as parental ego when they grow up. It usually reflects protection, displeasure, reference to rules and working on the basis of past precedents.

This can be:

(i) Nurturing parent ego:

As nurturing parents, managers praise good performance of the workers. They interact with them and help them during times of distress. They reflect nurturing behaviour towards others.

(ii) Negative or critical parent ego:

As critical parents, managers criticize or ignore poor performance of the workers rather than help them to improve. They have a critical attitude while interacting with others.

Adult ego:

Adult behaviour reflects the ability to analyse the situation and take logical decisions. He overcomes the emotional feelings and takes decisions based on facts and figures. This state is based upon reasoning, thinking, experience, rationality and discussion based on facts.

It updates the parental ego to determine what is right and wrong and child ego to determine what feelings to express and what not to express. These ego states are present in all human beings at some time or the other. People respond to different situations in different ways depending on their ego state.

2. Life Position:

Behaviour of a person depends upon his experience at different stages of his life. He develops a philosophy towards work from early childhood which becomes part of his identity and remains with him for lifetime unless some external factor changes it. These positions are called life time positions.

Analysis of Transactions:

When two persons interact or communicate with each other, there is a transaction between them. While transacting, both of them are at different ego states.

Based on the ego states, two types of transactions can take place:

(a) Complementary and

(b) Crossed.

(a) In complementary transactions, sender of information gets an expected response from the receiver.

People get expected response from each other because both are in the expected ego states. Both are, therefore, satisfied and communication is complete. In complementary transactions, ego states of two persons are parallel to each other. Stimulus and response patterns are as predicted.

There can be nine types of complementary transactions:

adult – adult Parent – parent child – child

adult – parent Parent – child child – parent

adult – child Parent – adult child – adult

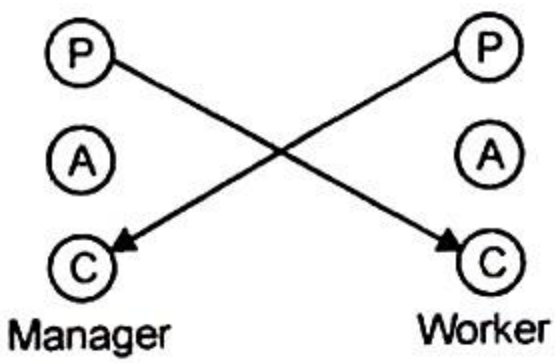
(b) In crossed transactions, sender gets unexpected response from the receiver which obstructs the process of communication. Stimulus – response lines are not parallel in these transactions. Rather, they cross each other. The person who initiates the transaction or creates a stimulus gets a response he does not expect.

If manager acts as adult but the employee responses as child, the communication process will get blocked. Either the manager will come down to the level of child or try to make the employee behave as an adult so that communication is resumed.

For example, a manager says to his employee "you misbehaved with your colleague yesterday and I don't expect this behaviour to be repeated." The communication represents parent ego of the manager and child ego of the worker. The worker, rather than being apologetic, responds, "I did not do anything wrong. I shall not apologies."

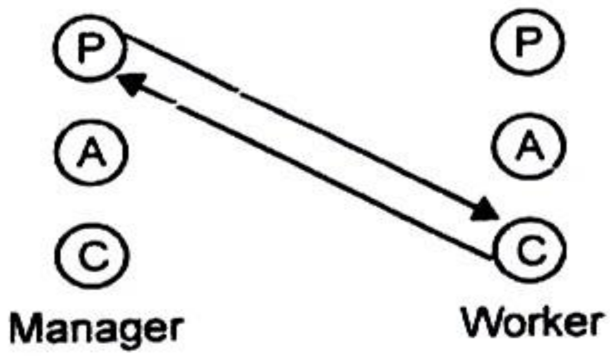
This is an unexpected behaviour where the parent of the worker talks to the child of the manager.

This transaction appears like this:



When parent ego of manager talks to child ego of the worker and child ego of the worker talks back to parent ego of the manager, communication is effective but where egos get crossed, communication breakdown takes place. The above interaction between manager and worker would have been effective if the worker had said, "I am sorry sir, I'll take care not to behave like this again."

This would appear like this:



By proper understanding of one's own ego state and that of the other, communication barriers on account of behavioural mal-adjustments can be reduced. Transaction Analysis transforms negative attitude of people into positive attitude. It changes failure, fear and defeat to victory, optimism and courage. It makes people strong and directed towards positive thinking.

It improves interpersonal relationships amongst people by understanding their ego states. Crossed transactions can be converted into complementary transactions and communication process can be improved. People will be more comfortable interacting with each other. This will improve effectiveness of the organisation.

Positive thinking and complementary transactions help to understand human needs and improve motivation. People can perform jobs which give them positive energy. It focuses more on intrinsic satisfaction than extrinsic satisfaction.

It also changes the managerial style from autocratic to participative by changing the life position from 'I am OK, you are not OK' to 'I am OK, you are OK. It makes people move from Theory X assumptions of McGregor's motivational theory to Theory Y assumptions. This is beneficial for the employees and organisation as a whole.

8.9 SUMMARY

Organisation cannot completely buffer themselves from this environmental instability. Change is induced by an internal and external forces. An organisation lacking adaptability to change has no future. Adaptability to change is a necessary quality of a good management. Organisational change is a fundamental strategy for ensuring that a public organisation remains relevant in a changing environment. Organisational effectiveness can be defined as the efficiency with which an association is able to meet its objectives. This means an **organisation** that produces a desired effect or an **organisation** that is productive without waste. The **transactional analysis** gives birth to several models that help in explaining the relationship formed between the individuals as a result of their interactions.

8.10 KEYWORDS

Organisational Change
Organizational effectiveness
Change process
Transactional analysis

8.11 Check your progress questions

1.What do you mean by Organisational change?
2.Define Organisational effectiveness
3.Why do people resist change?

8.12 LESSON END ACTIVITY

Visit an organisation of your choice and discuss the change management strategies incorporated by that organisation.

8.13 QUESTIONS FOR DISCUSSION

1.Define Organisational change
2.Explain the process of change
3.How do we manage resistance to change?
4.Define Organisational Effectiveness
5.Explain Transactional analysis

8.14 SUGGESTED READINGS

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UNIT 1X-ORGANISATIONAL DYNAMICS

9.0AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Differentiate between formal and informal leadership
- Enunciate characteristics of leaders
- Examine various theories of leadership such as Trait Theory, Behavioural Theory, Path-Goal Theory, Contingency Theories and so on
- Understand leadership styles such as autocratic, participative and laissez -faire
- Analyze personal traits of leaders

9.1INTRODUCTION

Organisational dynamics is another word for organisational behavior, a cross-discipline field that deals with how people behave in an organised group setting, such as a place of business. The man who coined the term and fostered the study of this discipline, Chester Barnard, was one of the first to see that people act differently in an organised group setting than they do in other situations, such as private gatherings at home. The study of organisational behaviour focuses entirely on the behavior of individuals within their assigned roles in an organisation. Leadership is the process of influence on a group. Peter F Ducker considers “leadership’’as a human characteristic which lifts a man’s vision to higher sights, raises a man’s performance to higher standards.

9.2 ORIGIN OF ORGANISATIONAL DYNAMICS

In the early days of research into organisational behavior, psychologists began encouraging organizations to pay attention to the emotional needs of their members. This shift in thinking started in the early 1930s, and it eventually produced the emphasis on teamwork, employee motivation and goal orientation that exists today in business environments. By the end of the 1930s, research into organisational behavior yielded many useful new concepts, including the

field of operations research, which is the use of math and statistics in optimizing business operations. This idea became more important throughout the twentieth century, and in the 1970s, organizational behavior began to use math and statistics more often, creating the new fields of contingency theory, informal organization and bounded rationality.
Resource: Top 15 Most Affordable Online Master's in Organisational Leadership Degrees 2014
This relatively new discipline is an attempt to make the study of employee behavior within an organisation more scientific. Researchers try to create a work environment in which employees have the proper motivation so that their behavior is as efficient for the company as possible. The emotional needs of employees can end up costing businesses as much money as inaccurate market data or incorrect business forecasts, if the employees aren't as productive as they could be. Some of the tactics organisational behavior scientists use include changing how employees are compensated, reorganizing how group members work with one another and finding new ways to evaluate employee performance.

What Is the Purpose of Organisational Behavior?

While this field uses many concepts from psychology, it also encompasses ideas from sociology, business management, mathematics and statistics. It's an interdisciplinary subject that draws from organisational theory as well as the study of human resources. Researchers in this field break it down into three levels, which include the micro, meso and macro levels. The micro level focuses on individual influence within a group, while the macro level focuses on the group as a whole. The meso level studies how influential groups within groups form, as well as group networks and culture. A fourth level of study, the field level, focuses on the interactions between all individuals within an organisation.
Organisational research is a science, and while it deals with immeasurable factors such as human behaviour, it also relies on quantitative analysis, including computer modeling. Organisational computer models can simulate the interactions between workers, as well as a wide range of other uncertain variables, by using probability theory. Researchers studying organisational behaviour must have a firm grasp of statistical modeling and some knowledge of computer programming to set up mathematical models of an organisation.
Successful businesses don't take unnecessary risks on factors that can be controlled, and scientists who know how to use statistical models can remove a lot of uncertainty from an organisation. The study of organisational dynamics is as important to businesses as the similar fields of operations research and human resources.

9.3 LEADERSHIP PROCESS

Definition: "The ability to create a vision and influence, motivate, inspire and transform others to achieve certain goals towards that vision is known as leadership."

THE LEADERSHIP PROCESS INCLUDES FIVE ESSENTIAL STEPS:

- **STEP #1: LEADERSHIP ORIENTATION AND COMMITMENT**

Leadership orientation and commitment is normally a one to two-day orientation session in which key leaders from the organisation learn about High Performance. In this session

participants go through an organisation simulation to experience the difference between traditional and High Performance work systems. As they learn and discuss principles of High Performance, they will learn about the transformation process, explore the level of trust within the organisation, and identify change needs driving their organisation.

- **9.3.2 STEP #2: ASSESSMENT OF THE BUSINESS AND ORGANISATION**

The purpose of this step is to complete a comprehensive assessment of the organisation, creating a common understanding of the current state of the business. Key leadership, with a cross-section of people from the organisation, analyzes a business case study to learn how to use the Transformation Model as a framework for organisation analysis. Then, applying the Transformation Model to their own organisation, they systematically analyze seven key elements: current results; the business environment; the current strategy; current core processes, current structure; and coordination and development systems.

Following their analysis, they summarize key issues to address and identify organisation strengths, weaknesses, and alignment issues. Armed with comprehensive assessment data, they can develop a list of change initiatives for improving the organisation and moving toward High Performance. The assessment process can be modularized into half-day sessions spread over a nine to ten-week period, or it can be accomplished more quickly in a single three-day session. This step often surfaces significant problems within the organisation, creating a sense of direction and momentum for needed changes. Every participant will come away from this dynamic session with a greater sense of responsibility, know-how, and enthusiasm for making the business succeed.

- **STEP #3: DEVELOPMENT OF STRATEGY AND VISION**

In step three, key leaders develop and/or adjust the business strategy and direction of the organisation. During this process they review their strategy and vision based on current business realities, refocusing and redefining their strategy to fit marketplace and competitive demands. Specifically they will accomplish the following during the process:

- Understand the demands of the current business environment;
- Forecast the future business situation
- Clarify a mission that motivates and inspires
- Identify the principles by which people will conduct themselves
- Define future customers and how they will deliver value to them
- Identify core competencies needed to succeed in the long run
- Create a long-term business focus and identify anchors that distinguish them from competitors
- Set short-term performance goals
- Identify performance initiatives and establish a master plan to implement the strategy

The strategy development process often requires several in-depth exploration and discussion sessions which may be accomplished over a period of weeks or months, depending on the size, motivation, and complexity of the organisation. Clearly, the process must be tailored to the individual needs of each organisation. We are confident that senior leadership will emerge from the strategy development sessions being very clear about their strategy and united in their commitment to implement it throughout the organisation.

- **STEP #4: CHARTERING THE CHANGE PROCESS**

During this step, senior leadership determines the need for organisation redesign to address organisation weaknesses and alignment issues identified during assessment. They create a design charter, outlining the expected outcomes and the scope and parameters of the redesign process. They assign resources, establish time frames, and identify a design team to participate in and guide in-depth process analysis and redesign of the organisation as necessary. They also determine the scope of the development process, identifying leadership training, employee orientation, team development, technical skills development, interpersonal skills development, and other projected training and development needs. These plans are factored in with strategic initiatives and change opportunities identified during strategy development and assessment to create an overall change plan. The charter is then shared with employees to communicate the need for change and explain how the transformation process will work throughout the organisation.

- **STEP #5: INTEGRATED MANAGEMENT OF BUSINESS PERFORMANCE**.

Management of business performance, especially in today's complex and rapidly changing environment, can be extremely challenging. Consequently, management behavior can be short-term and crisis-oriented. Managers and supervisors alike often react to demands which seem urgent, but may only be symptoms of deeper causes related to flawed processes or systems. A further problem is that work may be segmented into functional areas, promoting poor communication, turf battles, lack of problem ownership, and general inefficiency. In step five, Integrated Management of Business Performance, leaders develop a common plan and establish management processes to proactively manage the short and long-term performance of the business. One of the first tasks here is to help leaders begin to work as a team as they share responsibility for the overall management of the enterprise.

During assessment, the organisation identified key results areas and current performance in those areas. During strategy development, the leaders identified ideal key results areas, how they will measure them, and what their goals are. Armed with this data, the leadership team outlines a process for how they will monitor, track, and integrate performance throughout the organisation on an ongoing basis, including common initiatives, clear expectations, and consistent performance metrics. This may lead them into discussion or readjustment of recognition, reward, or performance management systems as well.

9.4 LEADERSHIP STYLES

The different types of leadership styles are: -

- Autocratic or Task Management Leadership,
- Democratic or Participative Leadership,
- Free-Rein or Laisse-Faire Leadership, and
- Paternalistic Leadership.

9.4.1 Autocratic or Task Management Leadership

Autocratic Leadership relies on coercion, and its style is paternalism, arbitrariness, command, and compliance. The autocratic leader gives orders which must be obeyed by the subordinates. He determines policies for the group without consulting them and does not give detailed information about future plans, but simply tells the group what immediate steps they must take. However, some autocratic leaders may happen to be "benevolent autocrats." Generally, they are willing to hear and consider subordinates' ideas and suggestions, but when a decision is to be made, they turn out to be more autocratic than benevolent.

Advantages of autocratic leadership

- It is the speed with which decision can be made; the leader does not have to obtain group members' approval before deciding.

Disadvantages of autocratic leadership

- Autocratic leadership does have a negative impact on group -morale.
- Members may resent the way in which decisions are made and thus support them in only a minimal fashion.

9.4.2 Democratic or Participative Leadership

Democratic Style of leadership that uses legitimate power can be classified as democratic leadership. A democratic leader usually gives instructions only after consulting with the group. He sees to it that policies are worked out in group discussion and with the acceptance of the group. That means democratic leadership solicits employees' participation and respects their opinions.

Advantages of democratic leadership

- It often enhances the morale of the employees.
- It increases acceptance of management's ideas.
- It increases cooperation between management and employees.
- It leads to a reduction in the number of complaints and grievances.

Disadvantages of democratic leadership

- It accounts for slow decisions, diluted accountability for decisions.
- There may be possible compromises that are designed to please everyone but does not give the best solution.

9.4.3 Free-Rein or Laisse-Faire Leadership

The leadership style which allows maximum freedom to followers may be called free rein leadership. It gives employees a high degree of independence in their operations. A free rein leader completely abdicates his leadership position, to give all responsibility of most of the work entrusted to him to the group which he is supposed to lead, limiting his authority to maintain the contact of the group with persons outside the group. This is also known as the permissive style of leadership.

Advantages of free rein leadership

- Opportunity for individual development is offered to group members.
- All persons are given a chance to express themselves and to function relatively independently.

Disadvantages of free rein leadership

- It may result in the lack of group cohesion and unity toward organizational objectives.
- Without a leader, the group may have little direction and a lack of control.
- The result can be inefficiency or even worse, chaos.

9.4.4 Paternalistic Leadership

Under Paternalistic Leadership, the leader assumes that his function is paternal or fatherly.
His attitude is that of treating the relationship between the leader and the group as that of a family with the leader as the head of the family. He works to help, guide, protect, and keep his followers happily working together as members of a family. He provides them with good working conditions and employee services. This style has been successful, particularly in Japan because of its cultural background. It is said that employees under such leadership will work harder out of gratitude. This mode of leadership produces good and quick results if the followers are highly educated and brilliant, and have a sincere desire to go ahead and perform with responsibility.

9.5 TYPES OF LEADERSHIP

9.5.1 Authentic Leadership

The recent authentic Leadership approach seems to have evolved in the light of major scams and scandals, a blind race for profits and personal gains and short term prospective, involving the CEO's of top organisations. It focuses on the charter of the leader as the driver of positive interrelationships. Authenticity is about being genuine and not attempting to play a role; not acting in a manipulative way.

9.5.2 Autocratic Leadership

Autocratic leadership allows autocratic leader to take the ultimate control of taking decisions without consulting others. An autocratic leader possess high level of power and authority and imposes its will on its employees. This type of leadership proves to be useful where close level of supervision is required. Creative employees morale goes down because their output is not given importance and is often detest by employees. Since they are unable to take any part in decision making, this results in job satisfaction and staff turnover.

9.5.3 Laissez-Faire Leadership

Under this type of leadership, a laissez-faire leader do not exercise control on its employees directly. Since employees are highly experienced and need little supervision, a laissez-faire leader fails to provide continuous feedback to employees under his or her supervision. This type of leadership is also associated with leaders that do not supervise their team members, failed to provide continuous feedback resulting in high costs, bad service, failure to meet deadlines, lack of control and poor production.

9.5.4 Transnational Leadership

The Informational leadership highlights a leader as a facilitator of change occurring, when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. The process of transformational leadership aims at influencing changes in attitudes and assumptions held by organisational members and building commitment for organisational goals and objectives. High level of communication exits between

managers and employees and it is under the guidance of leaders that employees meet their goals and enhance productivity and efficiency.

9.5.5 Transnational Leadership

Transnational Leadership contrast, involves management –by- exception, intervention, and punishing those who made errors. This can lead to negative emotions and performance on the part of the subordinates. This approach would also require close monitoring of the subordinates, who would surely not like it, and if they felt constrained, their performance might not be best.
Additionally, some of their voluntary behaviors, like citizenship behaviors would be reduced. A manger lead a group of highly motivated individuals who follow his leadership and achieve their goals. Employees are trained or rewarded such as bonuses depending upon their performance.

9.5.6 Bureaucratic Leadership

Under bureaucratic leadership, a leader believes in structured procedures and ensure that his or her employees follow procedures exactly. This type of leadership leaves no space to explore new ways to solve issues and in fact work by book. This type of leadership is normally followed in hospitals, universities, banks (where large amount of money is involved) and government organisations to reduce corruption and increase security. Self motivated individuals who are highly energetic often feel frustrated due to because of organisation inability to adapt to changing environment.

9.5.7 Charismatic Leadership

The charismatic leader is visionary and works by infusing high amount of energy and enthusiasm in his team. He sets as role model for his team and drive others to show high level of performance. This type of leader is committed to the organisation and believes more in him rather than his team. The presence of charismatic leader works as a boost for rest of the employees and therefore such type of leader should be committed to the organisation for the long run.
A charismatic leadership may pose as a risk to the company if he decided to leave to explore new opportunities and it might take lot of time and hard work by the company to win the confidence of its employees.

9.5.8 Participative Leadership

Also known as democratic leadership style, participative leadership consults employees and seriously considers their ideas when making decisions. When a company makes changes within the organisation, the participative leadership style helps employees accept changes easily because they had given a big role in the process. Participative Leadership may be required for tasks that are non routine or unstructured, where relationships are non-authoritarian and the subordinate‘s locus of control is internal.

9.5.9 Directive Leadership

Directive Leadership provides guidance about what should be done and how to do it, scheduling work, and maintaining standards of performance. Thus, it may be inferred that directive leadership is effective as the subordinators has an external locus of Control, lacks

experience, has a high need for clarity or a low need of achievement. Also, when the task is unstructured, or there is conflict between work groups, a more directive style would be useful.

9.5.10 Supportive Leadership

Supportive Leadership show concern for the needs of the employees, leader is friendly and approachable. Supportive Leadership would be more suitable for highly structured tasks, under bureaucratic and formal authority relationship. In supportive Leadership, leader support to their subordinates officially and some time personally also. Leader always try to fulfill their requirements, it boost employees moral also.

9.5.11 Achievement Oriented Leadership

Achievement oriented Leadership encourage employees to perform at their highest level by setting challenging goals, emphasizing excellence and demonstrating confidence in employees abilities. Achievement Oriented Leadership is largely suitable for unstructured tasks, where the subordinate need for achievement is high.

9.6 THEORIES OF LEADERSHIP

9.6.1 The Trait Theory of Leadership

According to trait theory, there are specific traits that are shared by all successful leaders. In fact, when the earliest forms of this theory were declared, leadership was considered to be an innate quality; a trait in and of itself, that some people are born with. However, over time, the theory was refined to show that many of these leadership traits can be acquired by those who have not had the good fortune of being born with them.

Traits that are common to leaders include empathy, integrity, likeability, critical thinking, decision making, assertiveness, and many others. All of these are traits that prove important when helping others and can be developed.

No Guarantee

A disclaimer must be made here. Having any of these traits, in any given combination, does not guarantee that the owner of the traits is going to succeed as a leader. It should be understood that a trait isn't an internal quality; a trait is an external manifestation of our internal mental processes. It is the beliefs and perspectives we hold within ourselves that make for our ability to be effective and successful leaders.

Certain traits will, therefore, manifest themselves as a result of these internal processes. To work on the trait rather than the internal process that generates it is to put the cart before the horse.

9.6.2 The Behavioral Theory of Leadership

According to behavioral theory, a leader is as a leader does, so the focus is on the common behaviors of leaders. In that case, there are many types of behaviors exhibited by leaders all around the world and throughout history. There are leaders whose word is law, and there are those that prefer to allow the people to have a hand in the decision-making process.

Which are better? Again, it all depends, and there is no magic formula even here.

According to the framework developed by Kurt Lewin in the 1930s, there are 3 types of leadership under behavioral leadership theory:

Autocratic Leadership: These are the leaders who do not consult their subordinates when making decisions in the workplace. Once the decisions have been made the subordinates are expected to cooperate with them with no objections. This type of leadership certainly has an environment where it is highly effective. When decisions have to be made fast, and the leader has extensive knowledge and experience, needing little input, then they can use autocratic leadership to their advantage.

Autocratic leadership also works in situations where goals and outcomes are quite clear, and the agreement of the team with the leader's decisions is not necessary for the outcome to be successful.

9.6.3 Democratic Leadership: A democratic leader seeks the input of their subordinates before making a decision. The exact degree of input that the leader wants from their team will vary with the leader. Democratic leadership works in situations where the agreement of the team is necessary for a successful outcome. It also works when the team is cohesive and well-aligned with its goals.

There should also be a time for deliberations before decisions are made. This kind of leadership can be difficult in situations where the team is so diverse as to have too many different ideas and perspectives.

9.6.4 Laissez-Faire Leadership: This type of leader does not involve themselves in the dealings of their subordinates. They give their subordinates the leeway to make their own decisions and direct their own work. To be sure, this type of leadership can work in certain situations, such as where a team is composed of highly skilled and experienced individuals who are competent, motivated, and capable of taking initiative, therefore not requiring any kind of supervision.

It doesn't work very well outside of this very particular environment. In fact, most of the time, laissez-faire leadership is the result of a lazy and distracted leader, and it fails more often than not.

The behavior of a leader will directly affect a team's performance. According to studies that have been conducted over the years, each of these leadership styles is appropriate in different situations. A good leader is one who can use the right style in the right circumstances.

The Functional Theory of Leadership

According to this theory, the leader has one main responsibility: to assess the needs of their followers and then meet those needs. They are also tasked with other functions that relate to this one main responsibility:

- **To monitor the environment** within which their subordinates work.
- **To organize activities** for their followers so that everyone always has something to do.
- **To train their subordinate**'s and increase their knowledge and skill sets.
- **To motivate and inspire** their followers.
- **To participate in the activities of the group**. This is important as it forces them to have skin in the game and builds trust in them among their followers.

9.6.5 The Transformational Theory of Leadership

According to this theory, the leader is tasked with seeing the bigger picture in every situation and motivating their followers to attain greater goals and execute the group's vision. This type of leadership demands that the leader be clearly visible to followers and that they are accessible at all times. They should constantly look for new ideas and ways to realize the goals of the group.

9.6.6 The Transactional Theory of Leadership

According to this theory, a leader is defined by an ability to reward those who perform well and to punish those who do not. A leader should have a specific goal for followers to work toward. A leader should also have the ability to train followers to give them the ability to work towards that goal. From there they should evaluate their followers' performance and determine whether it is satisfactory. They should also have the authority to reward those followers who meet their objectives and punish those who do not.

9.6.7 The Environmental Theory of Leadership

According to this theory, it is the work of a leader to create the **right kind of environment, where their follower***s* will flourish. By using psychological principles, they should be able to build the right kind of environment for the motivation of their followers and then make that environment self-sustaining.

According to this theory, **_a good leader will give the group the right kind of cultur***e that motivates followers to meet their objectives out of care for the benefit of the group, rather than from coercion. Environmental leaders do not lead, as much as* **they create the right kind of environmen**t , in which workers work toward group goals, out of their own will.

9.6.8 Situational Contingency Theories

Situational contingency theories maintain that the situation is the ultimate factor in the leadership style adopted by a leader. With that in mind, there is no single ultimate leadership style. **Autocratic leadership works** in times of intense crisis, whereas democratic leadership works in times of relaxation. **Situations dictate the most appropriate** type of leadership style for other leadership styles, as well.

9.7 SUMMARY

Organisational dynamics is another word for organisational behavior, a cross-discipline field that deals with how people behave in an organised group setting, such as a place of business. The man who coined the term and fostered the study of this discipline, Chester Barnard, was one of the first to see that people act differently in an organised group setting than they do in other situations, such as private gatherings at home. Leadership is the process of influence on a group. Peter F Ducker considers "leadership''as a human characteristic which lifts a man's vision to higher sights, raises a man's performance to higher standards.

9.8 KEYWORDS

Organisational Dynamics
Leadership
Leaders
Human skill
Leadership styles

9.9 Check your progress question

1.What is organisational dynamics?
2.Define Leadership
3.List out the types of Leadership

9.10 LESSON END ACTIVITY

"A good leader is one who understands his subordinates, their needs and their sources of satisfaction." Comment.

9.11 QUESTIONS FOR DISCUSSION

1.What is Leadership?
2.Explain the Process of leadership
3.Explain the theories of leadership
4.Critically examine the different approaches to the study of leadership behaviour. Is there one best style of leadership?

9.12 SUGGESTED READINGS

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UNIT X -FIEDLER’S CONTINGENCY MODEL

10.0 AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Understand Fiedler's Contingency Model
- Know about managerial grid
- Understand Redding's groups in organisation

10.1 INTRODUCTION

Fiedler Contingency Model or **Fiedler Model**, developed by **Fred Fiedler** in a practical way. After reading you will understand the basics of this powerful **contingency theory** of leadership.
In the 1960s, Fred Fiedler carried out research on the relationship (contingency) between the effectiveness of the **leadership style** and the situation. This relationship became to be known as the Fiedler contingency model. With the Fiedler Contingency Model, Fred Fiedler was the precursor of Hershey and Blanchard's situational leadership model.

FIEDLER CONTINGENCY MODEL FACTORS

According to Fred Fiedler effectiveness and leadership depend on a number of factors including the situations and the personal characteristics of the leader. Fiedler distinguished the following three factors:

1. Make up of the group

It is not just the nature and the atmosphere within the group, but also the relationship between the leader and the group that determine the leadership style. Fred Fiedler speaks of an interaction: when the leader fully trusts his employees; they will adopt a loyal and cooperative attitude. Vice versa, a leader will trust his employees when they prove themselves in favour of the company. This group dynamics may also have a negative impact as a result of which the leader is forced to be authoritarian and his employees have to work less independently. If the nature of the group is characterized by conflicts and competitive urges, the leader will be forced to run a tight ship.

2. Nature of the task

The leadership style of the leader depends on the nature of the task. Clear tasks that employees can perform routinely require less supervision than tasks that have to be adjusted and explained time and again.

3. Power of the leader

The formal power of the leader is determined by his hierarchical position on the one hand and by his knowledge and competences on the other. However, the personal authority he more or less radiates naturally will be decisive for his interaction with his employees and therefore also decisive for the situation.

10.2 FIEDLER CONTINGENCY MODEL: LEADERSHIP STYLE

By combining and merging these three situational factors, Fred Fiedler arrives at several efficient leadership styles in which (depending on the situation) both task orientation as people orientation can be effective:

Relationship: leader – group	**Nature of the work**	**Leader Position Power**	**Efficient leadership style**
Good	Routine	Strong	Task-oriented
Good	Routine	Weak	Task-oriented
Good	Uncertain	Strong	Task-oriented
Good	Uncertain	Weak	People-oriented
Poor	Routine	Strong	People-oriented

Poor	Uncertain	Weak	Task-oriented

Given that personality (task-orientation and people-orientation) is reasonably stable, the Fiedler contingency model suggests that the situation should be adapted to such an extent that it suits the leader. The Fiedler Contingency Model refers to this as *job engineering*. Furthermore, training of groups is seen as a method to improve the nature of the relationship within the group.

Critique on the Fiedler contingency model

Throughout the years the Fiedler Contingency Model has also been criticized. For instance, the Fiedler Contingency Model would have little or no flexibility. Fred Fiedler assumed that a natural leadership style of a leader is a fixed given and that this is related to his personality characteristics. He thought that his natural leadership style would therefore be the most effective. What he did not take into account is the fact that a leader does not always have to give in to his natural leadership style and that he can abandon this. Consequently, he can manage on task-orientation or people-orientation.

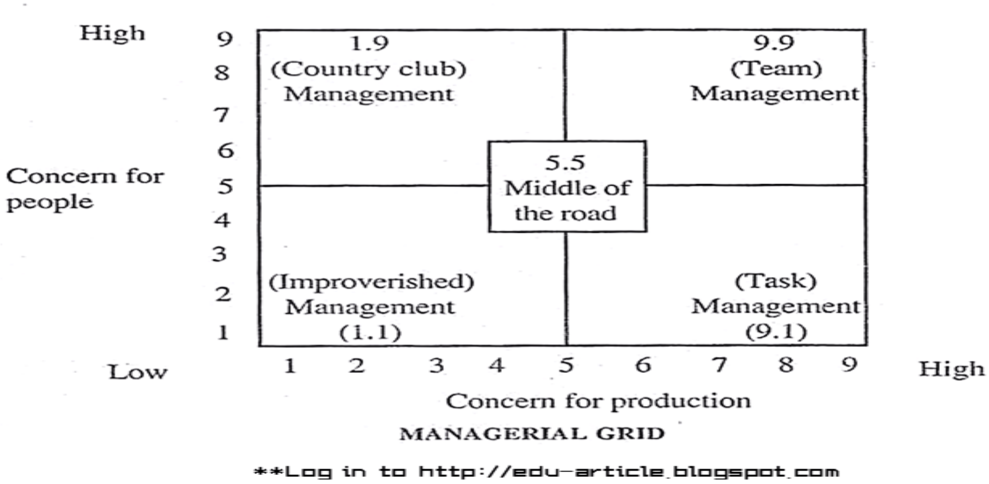
10.3 MANAGERIAL GRID MODEL

Managerial Grid Model is based on two behavioral dimensions:

1. **Concern for people:** This is the degree to which a leader considers the needs of team members, their interests, and areas of personal development when deciding how best to accomplish a task.
2. **Concern for production:** This is the degree to which a leader emphasizes concrete objectives, organizational efficiency, and high productivity when deciding how best to accomplish a task.

As shown in the figure, the model is represented as a grid with concern for production as the X-axis and concern for people as the Y-axis; each axis ranges from 1 (Low) to 9 (high).

The five resulting leadership styles are as follows:



(1,9) Country Club Style Leadership High People and Low Production

(1,9) Country Club Style Leadership style of leader is most concerned about the needs and the feelings of members of his or her team.

In this environment, the relationship-oriented manager has a high concern for people but a low concern for production.
He pays much attention to the security and comfort of the employees. He hopes that this will increase performance.
He is almost incapable of employing the more punitive, coercive and legitimate powers. The organization will end up to be a friendly atmosphere but not necessarily very productive.
The (1,9) boss mainly uses reward power to preserve discipline and to support his subordinates in accomplishing their goals.
Conversely, this manager is virtually incapable of employing more disciplinary coercive and legitimate powers. This inability results from his fear that using such powers could jeopardize his relationships.
This inability results from his fear that using such powers could jeopardize his relationships.
Thus, the supervisor seldom attempts to impose his will on other people, preferring to accept the ideas of others instead of forcing his own.
Employees in this type of work environment go about their day working at their own pace on projects that they enjoy and with coworkers that they are attracted to.

(9,1) Produce or Perish Leadership- High Production and Low People
(9,l) Produce or Perish Leadership management style is characterized by a concern for production as the only goal.
Employees are viewed as obstacles to performance results unless obedience to the manager's wishes is explicitly granted.
In this style, the manager is authoritarian or compliance. A task-oriented manager, he has a high concern for production and a low concern for people.
He finds employee needs unimportant and simply a means to an end. He provides his employees with money and expects performance back.
There is little or no allowance for cooperation or collaboration. He pressures his employees through rules and punishments to achieve the company goals.
This type of leader is very autocratic, has strict work rules, policies and procedures, and views punishment as the most effective means to motivate employees.

(1,1) Impoverished Leadership-Low Production and Low People:
(1,1) Impoverished Leadership is a delegate-and-disappear management style and a lazy approach. The manager shows a low concern for both people and production.
He or she avoids getting into trouble. His main concern is not to be held responsible for any mistakes.
Managers use this style to preserve job and job seniority, protecting themselves by avoiding getting into trouble.
This leader is mostly ineffective. He or she has neither a high regard for creating systems for getting the job done nor for creating a work environment that is satisfying and motivating.
A result is a place of disorganization, dissatisfaction, and disharmony.
(5,5) Middle-Of-The-Road Leadership-Medium Production and Medium People
(5,5) Middle-Of-The-Road Leadership is a kind of realistic medium without ambition. It is a balanced and compromised style.
The manager tries to balance the competing goals of the company and the needs of the workers.

The manager gives some concern to both people and production, hoping to achieve acceptable performance. He believes this is the most anyone can do.
Consequently, compromises occur where neither the production nor the people's needs are fully met.
The supervisor views it as the most practical management technique. It is also an outcome when production and people issues are seen as in conflict.
The defining characteristic of this style "is not to seek the best position for both production and people… but to find the position that is in between both, about halfway."
When dealing with subordinates, the (5,5) manager prefers relaxed and shared conversations – these allow' him to slay popularly. Group membership is also enjoyed as committees allow' the supervisor to spread the responsibility for decision-making.

(9,9) Team Leadership-High Production and High People
At (9,9) Team Leadership, the manager pays high concern to both people and production. Motivation is high. This soft style is based on the propositions of Theory Y of Douglas McGregor.
The manager encourages teamwork and commitment among employees.
This style emphasizes making employees feel part of the company-family and involving them in understanding the organizational purpose and determining production needs. This method relies heavily on making employees feel they are constructive parts of the company.
And this will result in a team environment organization based on trust and respect, which leads to high satisfaction and motivation and, as a result, high production.
In a (9,9) system the manager strives for sound and imaginative opinions, letting others partake in the decision making the process.
He is not afraid to use ideas that are divergent from his own, but rather focuses on the value of the ideas.
Emotions and thoughts are used to solve .problems through teamwork because this supervisor is concerned with arriving only at the best possible solutions.
A (9,9)-oriented manager is capable of acting sensibly to bring about effective results, maintaining consistency but finding innovative solutions to fit unique problems, and unusual circumstances".
Another of the manager's primary goals in this system is to identify barriers that his subordinates may be encountering and then finding a way to remove them.
This creates a team environment based on trust and respect which leads to high satisfaction and high satisfaction and motivation and, as a result, high production.

Advantages of the Managerial Grid Model

- Managers help to analyze their leadership styles through a technique known as grid training.
- Managers identify how they for their concern for production and people.

Limitations of the Managerial Grid Model

- The model ignores the importance of internal and external limits, matter and scenario.
- There is some more aspect of leadership that can be covered but are not.

Blake and Mouton's Managerial Grid Model was one of the most influential management models to appear in the 1960s, it also provided a foundation for even more complex contingency approaches to leadership.
Notable amongst these studies are Fiedler's Contingency model (which considers the match between the manager's personality and the situation), and Tannenbaum and Schmidt's

Continuum of Leader Behavior (which stresses that the leader not only understands himself but also the other persons in the organization along with the social environment as well.
The Managerial Grid Model was the next logical step in the evaluation of management thinking.
Blake and Jane Mouton based the framework of Grid on the sound logic of noted theorists Abraham Maslow and Douglas McGregor.
The Grid expanded upon McGregor's and other's theories at the time to provide a richer and more complete design between the manager's concerns for production versus their concern for interpersonal relationships.
Although later criticized and subjected to further revision by its creators, the original Managerial Grid Model remains an important model of managerial behavior that continues to be studied and utilized.
Blake and Mouton strongly argue that style (9,9) is the most effective management style because it improved productivity, and caused high employee satisfaction, low turnover and absenteeism.
It is widely used as a technique of managerial training and for identifying various combinations of leadership styles.

10.4 Reddings groups in organization.

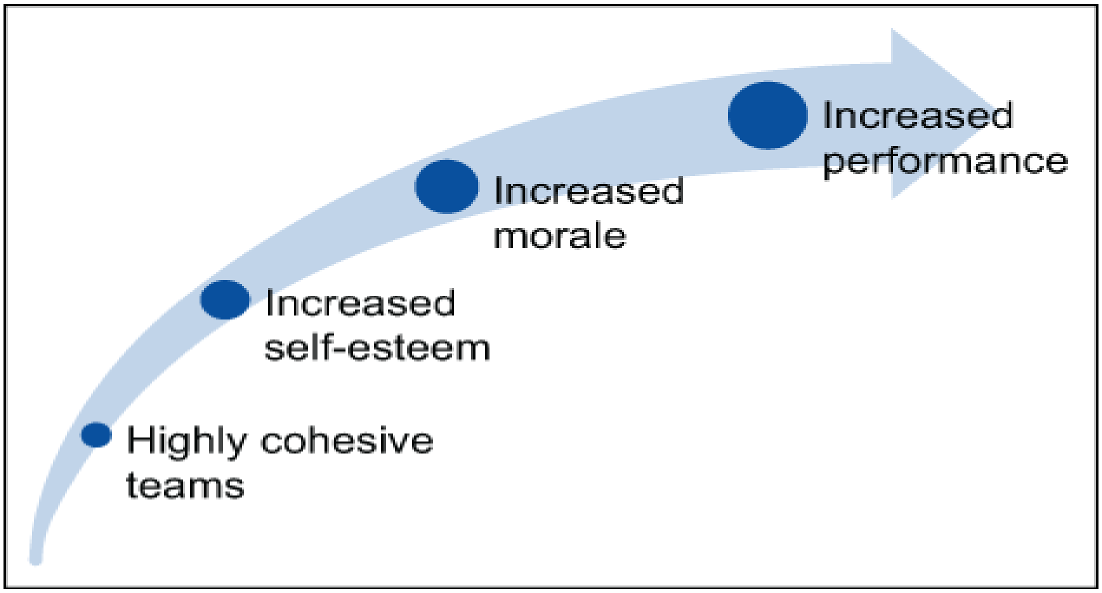
Leadership Redding is driven by the commitment and energy of its participants, graduates, and volunteers. Those connected with the program have benefited greatly by the diverse network of graduates, skills, and broad knowledge of regional issues gained through the program. The alumni community is filled with engaged leaders and decision-makers who represent an unparalleled resource working to strengthen the quality of life in our region.

In addition to the operations of the Leadership Redding Program, the Leadership Redding Endowment Fund was established to ensure the future financial viability and stability of the program. Currently, approximately fifty percent of the program is funded by tuition; the remaining portion must be funded by donations from businesses, nonprofits, and individuals. Although this has been a reliable source in the past, it is prudent to develop a funding source for the future.

10.4.1. Cohesiveness and Performance

Cohesiveness is the extent to which team members stick together and remain united in the pursuit of a common goal. A team is said to be in a state of cohesion when its members possess bonds linking them to one another and to the team as a whole.

Members of a highly cohesive team focus on the process, not the person; they respect everyone on the team, assuming good motives; and they fully commit to team decisions and strategies, creating accountability among the team. Morale is also higher in cohesive teams because of increased team member communication, friendly team environment, loyalty and team member contribution in the decision-making process.
Successful business strategies are usually carried out by an effective team with a high level of team cohesiveness. Highly cohesive teams are more committed to the goals and activities, are happy when the team succeeds and feel part of something significant, all of which increases self-esteem which in turn increases performance .



Cohesiveness to Performance

10.5 SUMMARY

The Fiedler Contingency Model refers to this as *job engineering*. Furthermore, training of groups is seen as a method to improve the nature of the relationship within the group.Throughout the years the Fiedler Contingency Model has also been criticized. For instance, the Fiedler Contingency Model would have little or no flexibility. Fred Fiedler assumed that a natural leadership style of a leader is a fixed given and that this is related to his personality characteristics. He thought that his natural leadership style would therefore be the most effective. Leadership Redding is driven by the commitment and energy of its participants, graduates, and volunteers. Those connected with the program have benefited greatly by the diverse network of graduates, skills, and broad knowledge of regional issues gained through the program.

10.6 KEYWORDS

Leadership
Model
Groups
Organisation
Team

10.7 Check your progress questions

1.Explain fiedler contingency model
2.Explain the factors in the fiedler contingency model

10.8 LESSON END ACTIVITY

What do you think? Is the Fiedler Contingency Model in today's modern companies? Do you recognize the practical explanation or do you have more additions? What are your success factors for good situational leadership?

10.11 QUESTIONS FOR DISCUSSION

1.What is a Managerial grid
2.Explain the dimensions of Managerial grid
3.Explain Redding's group in Organisation

10.12 SUGGESTED READINGS

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UNIT XI-GROUP

11.0 AIMS AND OBJECTIVES

The purpose of this lesson is to understand about group norms and design. After studying this lesson, you will be able to:

- Understand the basic attributes of groups
- Understand the power ,status and authority of groups
- Describe the behavioural characteristics of group dynamics
- Comprehend the process in group dynamics

11.1 INTRODUCTION

We define group as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in group is something more than the sum total of each acting in his or her own way. "Group"as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance.

11.2 GROUP NORMS

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Group norms are the informal guidelines of behavior and a code of conduct that provides some order and conformity to group activities and operations. These rules are expected to be followed by all the group members. These norms and rules usually develop gradually and informally as group members learn as to what behaviors are necessary for the group to function effectively. These norms may include a code of dress for meetings or being on time for the meetings and behaving in a predictable manner both within and outside the group meetings.

This predictability of behavior also causes higher degree of cohesiveness within the group. Predictability reduces chaos, ambiguity and conflict. Discomfort would be high in a committee or a task group, if the group members are not sure as to how each member would behave. Norms also identify the values and ethics of the group members. They are established on the basis of what is right and decent and expected of professionals. For example, some companies have very rigorous dress standards, tolerating no deviation, such as the Federal Bureau of Investigation (FBI).

11.2.1 TYPES OF GROUP NORMS

As one could expect there are several different types of generally understood norms. They are:

Performance norms: Performance norms are centered on how hard a person should work in a given group. They are informal cues, if you will, that tells a person or helps a person understand how hard they should work and what type of output they should have.

Appearance norms: This type of norm informs or guides us as to how we should look or what our physical appearance should be - what fashion we should wear or how we should style our hair or any number of areas related to how we should look.

Social arrangement norms: When we talk about this type of norm, we generally do not equate it to a business setting. This norm is centered on how we should act in social settings. Once again, there are cues we need to pick up on when we are out with friends or at social events that help us fit in and get a closer connection to the group.

Resource allocation norms: For this type of norm we're focusing on the allocation of resources in a business environment. This can include raw materials as well as overtime or any other resource found or needed within an organisation.

11.3. WORK DESIGN FOR GROUP

An arrangement in the workplace that has the objective of overcoming employee alienation and job dissatisfaction that comes about from mechanical and repetitive tasks in the workplace. Work design is used by organizations to boost productivity by offering employees non- monetary rewards such as satisfaction from a greater sense of personal achievement. Also called job design.

Work design has been researched and applied extensively in organisations. Recently, organisations have tended to combine work design with formal structure and supporting changes in goal setting, reward systems, work environment, and other performance management practices. These organisational factors can help structure and reinforce the kinds of work behaviors associated with specific work designs We will examine three approaches to work design. First, the engineering approach, which focuses on efficiency and simplification, and results in traditional job and work group designs. Second approach to work design rests on motivational theories and attempts to enrich the work experience. The third and most recent approach to work design derives from socio-technical systems methods, and seeks to optimize both the social and the technical aspects of work systems.

11.4. POWER

The French word „pouvoir" stands for power. Power is a universal phenomenon.It has been defined by many authors.
According to Max Weber:
Power is "the ability to control the behaviour of others, even in the absence of their consent"
If A has power over B then A can get B to do something that B would otherwise not do. Thus, Power is the potential ability to influence behaviour, to change the course of events, to overcome resistance, and to get people to do things that they would otherwise not do. Power may be exercised blatantly or subtly, legally or illegally, justly or unjustly. It may derive from many sources such as wealth, status, prestige, numbers, or organisational efficiency.

The Two Faces of Power

David McClelland, a well known social psychologist identified the"two faces of power"-1.Positive2.NegativeAccording to him,Positive face of power is characterized by a socialized need to initiate, influence, and lead.

People with positive power are „We‟ oriented.

This positive face of power is intended to enable others to reach their goals as well as let the person exercising power reach his or her goals. It seeks to empower self and others.

People with negative power are „I‟ oriented.

Negative face of power is characterized by a primitive, unsocialized need to have dominance ov er submissive others. The negative face of power seeks to empower self and finding ways to get oneself ahead of others.

Classification of Power

John French and Bretram Raven, social psychologists recognized five categories of the sources of social power:

1.Reward Power: This source of power is based on a person‟s ability to control resources and reward others. The target must value these rewards. Rewards may include payincrease, promotion, bonus etc.

2.Coercive Power: This source of power depends on fear. The person with coercive powerhas the ability to punish the other or at least threaten the other person with punishment orundesirable outcomes.

3.Legitimate Power: This power source stems from the internalized values of the other persons that give the legitimate right to the agent to influence them. It is almost identicalto authority. Legitimate power comes from three major sources- Prevailing culturalvalues, accepted social structure, designated as the agent or representative of a powerful person or group.

4.Referent Power: This type of power comes from the desire on the part of other persons toidentify with powerful person, regardless of the outcomes. Advertisers take advantage ofthis type of power when they use celebrities to provide testimonial advertising. The buying public identifies with the famous people and grants them power to tell them whatto buy.

5.Expert Power: This source of power depends upon the knowledge and expertise to the power holder.

Contingency Model for Power

According to the Contingency Model for Power:

1.The target will comply in order to gain a favorable reaction or in order to avoid a punishing one from the agent.

2.People identify themselves with the agent because it is self-satisfying to do so.

3.People internalize because of compatibility with their own value structure

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11.5. AUTHORITY

Authority is the right to command.Max Weber used the term authority to refer to legitimate power.Herbert Simon defined Authority as:

"The power to make decisions which guide the actions of another. It is the relationship between two individuals-
one „superior" and the other-„subordinate"."

Thus, authority is:

1.The right to decide, to direct others to take action.

2.Essential if the manager is to organize, direct and maintain the use of resources to attained goals.

3.Essential to determine policies.

4.Synonym to "institutionalized power".

11.5.1 Types of Authority

Max Weber distinguished three basic types of legitimate authority:

1.Traditional Authority:

People obey traditional authority because "it has always been thatway".For example: Established churches, the Courts etc.

2.Rational-Legal Authority:

Authority is legitimated by explicit rules and procedures thatdefine the rights and obligations of the rulers. Legal-rational authority stresses"government"of laws, not of peoples".

For example: Political systems of modern societies etc.

3.Charismatic Authority: Power is legitimated by the unusual, exceptional, or evensupernatural qualities that people attribute to particular political, religious, or militaryleaders. For example: Mahatma Gandhi, Hitler etc.

11.5.2Theories of Authority

1.Formal Authority School:

This school views that authority is conferred. Authority exists because someone has granted it. It is also known as top-down authority school. The essence of this theory is that authority flows from top to bottom. Authority is delegated down from the top and a stage comes when authority gets evaporated when it reaches the lowest positions. Equity Holders Board of Directors
Flow of Authority

Divisional Managers Workers People in the lower levels may not have formal authority but may have informal authority.

2.Acceptance Theory of Authority:

According to this theory authority originates only when it is accepted by the groups orindividuals over whom it has been exercised. Herbert Simon lists four important motivations for acceptance of authority by subordinates:

1.Rewards: The person exercising authority can attach pleasant or unpleasant consequences to actions through the system of sanctions or rewards.

2.Legitimacy: There is a general tendency in people to do what they feel to do, they think it is the right way of doing. This is called legitimacy.

3.Social Approval: Authority is accepted when the group thinks that it's rejection would be disapproved by the group.

4.Confidence: If the subordinates have confidence in the superior that he is technically or professionally competent they accept the authority.

3.The Competence Theory of Authority:

Authority's acceptance depends upon the „technical competence" of the manager. If the employees perceive the competence of the manager they accept the authority conferred on him. The essence of this theory is that the source of authority lies in the competence or ability of the manager.

11.6. STATUS

Status is "a set of visible, external markings that systematically rank individuals and groups in relation to each other, and that includes all the members of the organisation some place in the scheme of rankings".

Status implies stratification or ranking along some kind of prescribed scale.

11.6.1 Sources of status

1.Ascribed Status: Status can be acquired through the other person"s position in the organisation.

2 .Achieved Status: Status is mostly achieved by virtue of skills, education, intelligence, competence of an individual etc.

3.Scalar Status: It is also known as formal status. The higher the position, the higher will be the status and vice versa.

4. Functional Status: It is based upon the type of work or activity performed in the organisation. Two individuals may have same pay, same experience, same rank but status may be different.

5.Positional Status: Status is attached to particular position. „President"s position" will have the same status irrespective of the person holding the position.

6.Personal Status: Status acquired through personality. This is also known as „informal status"

11.6.2.Functions of Status System

1.Facilitates Communication: Someone must be in position to provide direction and coordination to various members associated with the organization. The status system permits understanding concerning who is to lead and who is to follow. Functional status system is very essential to make communication authentic, authoritative and intelligible.

2.Motivating Force: Status is a psychological motivator, it appeals to pride.

3.Imposing and fixing Responsibilities: Status system develops a sense of responsibility among organizational members. People try to maintain and improve their status, this makes them feel responsible towards their jobs. Status system thus forces the people to feel responsibility about their jobs.

4.Protecting personal integrity: Status differentiation in terms of order giving and receiving, serves to protect the personality and integrity of the individuals.

Conclusion

Power is the potential ability to influence behaviour, to change the course of events, to overcome resistance, and to get people to do things that they would otherwise not do. Two faces of power-Positive and Negative. Five categories of the sources of social power are: Reward Power, Coercive Power, Legitimate Power, Referent Power and Expert Power. Authority is the right to command. Authority is of following types: Traditional Authority, Rational-legal Authority and Charismatic Authority. Theories of Authority include: Formal Authority School, Acceptance Theory of Authority and The Competence Theory of Authority. Status implies stratification or ranking along some kind of prescribed scale. Sources of status include: Ascribed status, Achieved status, Scalar status, Functional status, Positional status, Personal status. Status system facilitates communication, acts as a motivating force, helpful for imposing and fixing responsibilities and protects personal integrity. Title awarded to a person and his attire helps in knowing the status of that person.

11.7. GROUP DYNAMICS

A group is defined as a number of individuals who come together to achieve a particular task or goal. Group dynamics refers to the attitudinal and behavioural characteristics of a group. Group dynamics concerns organisational success because it consists of various groups and a lot depends on how groups form, how they configuration and process, and most importantly how they function. Group dynamics are pertinent in both formal and informal groups of all types. In an organisational setting, groups are a very common organisational entity and the study of groups and group dynamics is an important area of study in organisational behaviour.

There are several theories on why groups develop. **The classic theory, developed by George Homans**, advocates that group development is based on activities, interactions, and feelings. What it means is when individuals share common activities; they will have more interaction and

will develop attitudes which could be positive or negative toward each other. The major element in this theory is what kinds of interaction are shared by the individuals involved in the group.

Social exchange theory offers an alternative explanation for group development. According to this theory, individuals form relationships based on the implied expectation of mutually beneficial exchanges based on trust and felt obligation towards each other. Thus, an insight that in relationships exchange of thoughts and ideas is positive and essential if individuals are to be attracted to and affiliate with a group.

Social identity theory suggests that individuals get a sense of identity and self-esteem based upon their membership in outstanding groups. The nature of the group may be demographically based, culturally suitable, or organisationally based. Individuals are motivated to belong to and contribute to identical as their character groups because of the sense of belongingness and self-worth membership in the group imparts.

Do you know that the study of group dynamics is dated back to 1960s by Bruce Tuckman. He said that groups do not usually perform at maximum effectiveness when they are first established. They come across several stages of development as they struggle to become productive and effectual. Often, groups experience similar developmental stages while they encounter conflicts and resolutions. According to Tuckman's theory, there are five stages of group development: forming, storming, norming, performing, and adjourning. During these stages group members go through lot of pains as they need to address several issues and the way in which these issues are resolved decides whether the group will succeed in accomplishing its tasks or the group will break up.

Forming: This is the first stage**.** In this stage lot groups form temporarily; this stage is characterized by some puzzlement and lot of uncertainty. The group is not sure about their major goals. Leadership matters here a lot. Thus, forming is a direction period when members get to know one another and share expectations about the group. Members learn the purpose of the group as well as the rules to be followed. If the forming stage is rushed trust and openness cannot be developed. Individuals are often confused during this stage because roles are not clear and leadership matters to bring in a feeling of settlement. If the group is formed on basis of weak leadership, the group is far from being formed.

Storming: This stage is called storming because in this stage, the group is likely to see the highest level of incongruity and conflicts. Members in the group challenge group goals and struggle for power. Individuals often compete for the leadership position during this stage of development. This can be a positive experience for all groups if members can get organized through resolution. Members often voice concern and criticism in this stage. If members are not able to determine the conflict, then the group will often split up or continue in existence but will remain unproductive and never advance to the further stages.

Norming: This stage is categorized by the identification of individual differences and shared expectations. If in this stage the group members begin to develop a feeling of group unity and identity the group's existence strengthens. They experience cooperative efforts which begin to yield results. In this stage usually responsibilities are divided among members and the group decides on evaluating progress. Roles and responsibilities are passed on to members in the group in norming stage.

Performance: Performance of group occurs when the group matures and attains a feeling of cohesiveness. During this stage of development, individuals accept one another and conflicts are resolved through group discussions. Members of the group make decisions through a sensible process that is focused on relevant goals rather than emotional issues.

Adjourning: This stage is not is not experienced by all groups, because it is characterized by the performance discharged by the group. Some groups stay relatively permanent. There are reasons why groups disband; they differ from group to group. Some common reasons are the achievement of the tasks or individuals deciding to go their own ways. Members of the group often experience feelings of conclusion and sorrow as they prepare to leave the group. The reasons could be rational or irrational.

We human beings don't always make the right decisions because our rational judgment is influenced not only by our infatuations and emotions but we all have built-in biases and some other feelings as conceit, egos and illogical dogmas. We don't understand sometimes why we behave in a fashion or why we take wrong decisions. One big factor affecting the quality of decisions is whether a decision involves a group.

Group dynamics can lead otherwise sensible individuals to agree or disagree decisions they might not come to on their own. At times the effects are positive, as when some group members help others overcome discrimination. But the dynamics of a group often have negative consequences. Since most organizations rely on collective decision making in some contexts, managers must to be on the lookout for group biases and their undesirable results. There are again some common manifestations of the group effectiveness. Such as **conformity** – many people go along with the group regardless of what they themselves might think as individuals. Then comes **group polarization** – it's a phenomenon which shows that deliberation can intensify people's attitudes, leading to more extreme decisions. A study in US federal courts showed that judges working alone took a relatively extreme course of action only 30% of the time. When they were working in groups of three, this figure more than doubled, to 65%.

It has been observed that it is an elating feeling when like minded people come together in a group. It is an exhilarating to see when a team of dedicated people meet to discuss and decide a course of action which benefits each member in the group. If a group is given freedom to choose whom and whom not it can have in its team, positive performance can be observed. It is always gratifying to have likeminded people to form groups. They work together, though each of them coming from different backgrounds and levels of experience, but each with the same intellectual capacity to problem-solving and eventually come up with well executed outcomes. People with similar points of view can supplement and substantiate the perspectives which help in achieving organisations goals and objectives.

I like Margaret Mead's quote "Never doubt that a small group of thoughtful committed citizens can change the world; indeed it's the only thing that ever has" this sums what group dynamics is all about beautifully.

11.8. SUMMARY

We define group as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in group is something more than the sum total of each acting in his or her own way. "Group"as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. Work design has been researched and applied extensively in organisations. Recently, organisations have tended to combine work design with formal structure and supporting changes in goal setting, reward systems, work environment, and other performance management practices.

11.9. KEYWORDS

-Group

Norms
Work
Design
Power
Authority
Status
Group dynamics

11.10 Check your progress questions

1.What is Group?
2.Define Group
3.What is Group Dynamics?

11.11 LESSON END ACTIVITY

Comment on the importance of forming group

11.12 QUESTIONS FOR DISCUSSION

1.Explain the different types of groups
2.Explain group norms
3.Explain Work design in group
4.Explain Group Dynamics

11.13 SUGESTED READINGS

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XII- HUMAN ENGINEERING

12.0Aims and objectives

12.1 Introduction

12.2 Human Engineering

12.3 **Man-machine systems**

12.4Applications of human factors engineering

12.5 Job Design

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12.13 Lesson end Activity

12.14Questions for Discussion

12.15 Suggested Readings

12.0 AIMS AND OBJECTIVES

After studying this lesson you will be able to:

- Understand about human engineering
- Know about machine system
- Study the job design and work design
- Describe the Hawthorne experiments
- Explain the Japanese style of management and its application

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12.1 INTRODUCTION

Human engineering is the study of mental and physical capacities of human beings in relation to the demands made upon them by their job and by the equipment's they have to use to carry out their jobs. The human engineers apply scientific knowledge and research methodology to study the human areas. It is the engineering for human use. It may be described as an attitude by which an engineer approaches the problem of designing machines and equipment to be used by the human beings.

12.2 HUMAN ENGINEERING

Human factors engineering, also called **ergonomics** or **human engineering**, science dealing with the application of information on physical and psychological characteristics to the design of devices and systems for human use.The term *human-factors engineering* is used to designate equally a body of knowledge, a process, and a profession. As a body of knowledge, human-factors engineering is a collection of data and principles about human characteristics, capabilities, and limitations in relation to machines, jobs, and environments. As a process, it refers to the design of machines, machine systems, work methods, and environments to take into account the safety, comfort, and productiveness of human users and operators. As a profession, human-factors engineering includes a range of scientists and engineers from several disciplines that are concerned with individuals and small groups at work.

12.3 MAN-MACHINE SYSTEMS: Design, Characteristics and Classification:

Human factors are a system concerned with the relationship among human beings, work place or work environment and machines. All man-machine systems are produced with some objective in view.

This objective is always well defined and the system is designed so as achieve the objective as successfully as possible. In view of this the operational functions of both the components and constituents i.e. man and machine should be clearly defined.

There is one another aspect of man-machine system which, though not strictly a part of it, effects the system performance to a great extent. This is the system environment or what we call as working conditions. The proper integration of man and machine, which is beneficial for human operator and enhances the overall system performance, is a primary aim of the ergonomics discipline.

1. Characteristics of Man-machine System Are as follows:
(1) The man-machine system consists of the man, the machine and system environment.

(2) It is essentially artificial by nature and is specifically developed to fulfill some purpose or specific aim.

(3) It has specific inputs and outputs which are appropriately balanced

(4) It is variable in size and complexity and is dynamic in performance.

(5) Subsystems of man machine system interact with and effects the other parts.

(6) The man-machine system becomes more efficient when inputs and out puts are adequately balanced.

(7) Environmental factors or system environment effects system performance.

2. Classification of Man-Machine Systems:
Depending upon size and complexity, man machine systems are of following three types:
(1) Manual Systems:
They are essentially man directed systems. These are flexible in nature and small in size. Simple tools and equipment are used and the efficiency is dependent upon the human factor. A large variability is possible in a manual system as every worker may select different method to do the same job.

(2) Mechanical Systems:
They are more complex and inflexible in nature than manual systems. The machine component is power driven and human activity is information processing, decision making and controlling occasionally knows semi automatic systems, they have components which are well integrated. This is the feature which renders these systems rather inflexible. An automobile and a machine tool operated by driver or operator are good examples of his class.

(3) Automatic Systems:
A complex system in which all operational functions are performed by automatic devices is known as automatic system. Operational functions are sensing information processing decision making and action. It is completely inflexible in nature and cannot be adopted to uses other that

the one for which it has be designed.The human element/component performs the jobs of monitoring, programming the function, maintenance and up keep. An automatic telephone exchange, a digital computer and automatic screw cutting, machines are good examples of automatic systems. A perfectly reliable automatic system does not exist at present.

12.4APPLICATIONS OF HUMAN FACTORS ENGINEERING

The very nature of human factors engineering precludes "one size fits all" solutions, but several tools and techniques are commonly used as human factors approaches to addressing safety issues.

Usability testing—Human factors engineers test new systems and equipment under real-world conditions as much as possible, in order to identify potential problems and unintended consequences of new technology. One prominent example of the clinical applicability of *usability testing* involves electronic medical records and computerized provider order entry (CPOE). A recent book discussed a serious medication overdose that occurred in part due to confusing displays in the institution's CPOE system—a vivid example of how failing to use human factors engineering principles in user interface design can potentially harm patients. Simulated clinical scenarios may be used to conduct *usability testing*, as was performed in a study that demonstrated that commercial CPOE systems generally did not detect potentially unsafe orders.

Usability testing is also essential for identifying workarounds—the consistent bypassing of policies or safety procedures by frontline workers. Workarounds frequently arise because of flawed or poorly designed systems that actually increase the time necessary for workers to complete a task. As a result, frontline personnel work around the system in order to get work done efficiently. In the obstetric example above, the hospital had implemented a bar-code system designed to prevent medication administration errors. However, the system did not reliably scan IV bags. Nurses therefore developed a workaround for urgent situations, whereby they would administer the IV medication without scanning the bar code, and only later manually document its administration. This workaround was deemed to be a substantial contributor to the ultimately fatal error.

Forcing functions—An aspect of a design that prevents an unintended or undesirable action from being performed or allows its performance only if another specific action is performed first. For example, automobiles are now designed so that the driver cannot shift into reverse without first putting his or her foot on the brake pedal. Forcing functions need not involve device design. One of the first forcing functions identified in health care was the removal of concentrated potassium from general hospital wards. This action helps prevent the inadvertent addition of concentrated potassium to intravenous solutions prepared by nurses on the wards, an error that has produced small but consistent numbers of deaths for many years.

Standardization—An axiom of human factors engineering is that equipment and processes should be standardized whenever possible, in order to increase reliability, improve information flow, and minimize cross-training needs. Standardizing equipment across clinical settings (as in the defibrillator example above) is one basic example, but standardized processes are increasingly being implemented as safety measures. The widening use of checklists as a means

of ensuring that safety steps are performed in the correct order has its roots in human factors engineering principles.

Resiliency efforts—Given that unexpected events are likely to occur, attention needs to be given to their detection and mitigation before they worsen. Rather than focus on error and design efforts to preclude it, resiliency approaches tap into the dynamic aspects of risk management, exploring how organizations anticipate and adapt to changing conditions and recover from system anomalies. Building on insights from high-reliability organizations, complex adaptive systems, and resourceful providers at the point of care, resilience is viewed as a critical system property, reflecting the organization's capacity to bounce back in the face of continuing pressures and challenges when the margins of safety have become thin.

Despite the above examples, it is generally agreed that human factors principles are underutilized in examination of safety problems and in designing potential solutions. The ever-lengthening list of unintended consequences of CPOE can, in part, be viewed as a failure to appropriately design such systems with human factors in mind.

12.5 JOB DESIGN

Definition of Job Design: Job design is defined as a process of describing a job in terms of its duties and responsibilities; the methods to be used in carrying out the job in terms of techniques, systems, and procedures; and the relationship that should exist between the job holders and their superiors, subordinates, and colleagues.

Creating a job design is the succeeding step to job analysis. As you know, job analysis provides information about the skills and competency required to perform a job efficiently. Conversely, job design strives at organising tasks, duties, and responsibilities associated with a job to achieve organizational as well as individual objectives. Job design is a relatively new term in HRM.

The HR managers have realized that the design of the job has considerable influence on the productivity and job satisfaction. Poorly designed jobs often result in boredom, increased employee turnover, job dissatisfaction, low productivity, and increase in overall cost of the organisation. Thus, job design is an attempt to create a match between the job requirements and available human resource attributes.

Job design is the process of organising work into the tasks required to perform a specific job. It involves the conscious efforts to organise tasks, duties and responsibilities into a unit of work to achieve certain objectives. An HR manager should have a keen interest in the design and specification of individual jobs within the organisation.

Job design and work organisation deal with the specifications of the content, methods, and relationships of jobs in an integrated manner to satisfy technological and organisational requirements as well as the personal needs of employees.

During the 1970s, the challenge before HRM professionals dealing with job designs was to find out how organisations achieve results in the wake of loss of productive effort resulting from industrial actions and absenteeism, increased demand for employee participation, and imposition of various employee legislations.

During the 1980s a major change occurred in the working environment in the form of introduction of new technologies and a shift in the cost of production in favour of machines as

against workforce. In this period of recession, the need for retrenchment of employees also arose. All these factors changed the perspective of job design.

It was only in the 1990s that a real challenge in terms of optimum job design and work organisation arose to respond to the fast-changing environmental conditions. This resulted in giving a greater importance and adopting a new approach towards job design.

12.6 WORK DESIGN

Work design concerns the "content and organization of one's work tasks, activities, relationships, and responsibilities" (Parker, 2014).

Imagine designing the role of a police officer. Illustrative work design decisions include:

- Which activities should be grouped together to form a meaningful police officer job?
- Which decisions should be made by officers and which by their supervisors?
- Should individual jobs be grouped together into a team?
- Can one build in routine tasks amidst complex ones to ensure officers are not overwhelmed?

These decisions - about the content and organization of one's work tasks, activities, relationships, and responsibilities - will affect outcomes at multiple levels including whether individual officers feel engaged or stressed at work, and whether the wider police service achieves its targets, such as how effectively crime is detected and prevented.

Often work design is described in terms of "job characteristics", or features of work that affect how people feel about their jobs. Research has identified many job characteristics that are positive, that result in work being more motivating or less stressful. Examples of positive job characteristics include:

- Job autonomy: Being able to make decisions within the job
- Task variety: Having a range of tasks in the job
- Skill utilisation: The opportunity to use one's skills in the job
- Task significance: Doing a job that is important
- Task identity: Doing a whole job
- Job feedback: Getting feedback whilst doing one's work

12.7 HAWTHORNE EXPERIMENTS

The Hawthorne experiments were groundbreaking studies in human relations that were conducted between 1924 and 1932 at Western Electric Company's Hawthorne Works in Chicago. Originally designed as illumination studies to determine the relationship between lighting and productivity, the initial tests were sponsored by the National Research Council (NRC) of the National Academy of Sciences. In 1927 a research team from the Harvard Business School was invited to join the studies after the illumination tests drew unanticipated results. Two additional series of tests, the relay-assembly tests and the bank-wiring tests, followed the illumination tests. The studies assumed the label Hawthorne experiments or studies from the location of the

Western Electric plant. Concluded by 1932, the Hawthorne studies, with emphasis on a new interpretation of group behavior, were the basis for the school of human relations.

Illumination tests

In the early 1920s Chicago's Western Electric Hawthorne Works employed 12,000 workers. The plant was a primary manufacturer of telephones, and in 1924 the company provided a site to cooperate with the NRC on a series of test room studies to determine the relationship between illumination and worker efficiency. The basic idea was to vary and record levels of illumination in a test room with the expectation that as lighting was increased, productivity would too. In another test room, illumination was decreased, with the correlating expectation that efficiency would decrease. The electric power industry provided an additional impetus for these tests, hoping to encourage industries to use artificial lighting in place of natural light. The Illuminating Engineering Society's Committee on Research also supported the tests and cooperated with the NRC. From the fall of 1924 to the spring of 1927, three series of tests were conducted and carefully monitored. Three departments at the Hawthorne plant were involved—relay assembling, coil winding, and inspection. Workers were notified of the tests in order to attempt to control interference from human factors. When production increased in each test period, researchers looked to other factors such as increased supervision and a sense of competition that developed between the test and control groups. But the one conclusion the impressive team of industrial specialists and academics discovered was the lack of a consistent correlation between lighting levels and product output. No further tests were planned originally, but researchers were surprised at the unanticipated results.

NRC representatives and the engineers involved drew several conclusions. First, illumination was one factor in output but not the most important. More important to the tests was the realization there was not a simple answer to the issue of illumination and worker productivity and that other factors that were not controlled presented a problem with the test results—the issue of human factors. In retrospect, researchers from the NRC and the Illuminating Engineering Society (which together formed the Committee on Industrial Lighting) stated they were not surprised by the test results. They even predicted that other factors would affect the results, but their mandate was to isolate other variables, and the Hawthorne studies continued.

Relay-assembly tests

In order to observe the impact of these other factors, a second set of tests was begun before the completion of the illumination studies on April 25, 1987. The relay-assembly tests were designed to evaluate the effect rest periods and hours of work would have on efficiency. Researchers hoped to answer a series of questions concerning why output declined in the afternoon: Did the operators tire out? Did they need brief rest periods? What was the impact of changes in equipment? What were the effects of a shorter work day? What role did worker attitudes play? Hawthorne engineers led by George Pennock were the primary researchers for the relay-assembly tests, originally intended to take place for only a few months. Six women operators volunteered for the study and two more joined the test group in January 1928. They were administered physical examinations before the studies began and then every six weeks in order to evaluate the effects of changes in working conditions on their health. The women were isolated in a separate room to assure accuracy in measuring output and quality, as temperature, humidity, and other factors were adjusted. The test subjects constituted a piece-work payment group and efforts were made to maintain steady work patterns. The Hawthorne researchers attempted to

gain the women's confidence and to build a sense of pride in their participation. A male observer was introduced into the test room to keep accurate records, maintain cordial working conditions, and provide some degree of supervision.

The women were employed in assembling relays or electromagnetic switches used in switching telephone calls automatically. The women assembled the more than 35 parts of the relay by hand. The relays were then carefully inspected. The entire process was highly labor intensive and the speed of assembly had an obvious effect on productivity.

Initially the women were monitored for productivity, then they were isolated in a test room. Finally, the workers began to participate in a group payment rate, where extra pay for increased productivity was shared by the group. The other relay assemblers did not share in any bonus pay, but researchers concluded this added incentive was necessary for full cooperation. This single difference has been historically criticized as the one variable having the greatest significance on test results. These initial steps in the relay-assembly studies lasted only three months. In August, rest periods were introduced and other changes followed over the rest of the test period, including shortened work days and weeks. As the test periods turned from months into years, worker productivity continued to climb, once again providing unexpected results for the Hawthorne team to evaluate.

Productivity increased in excess of 30 percent over the first two and-a-half years of the studies and remained steady for the duration of the tests. The physicals indicated improved worker health and **absenteeism** decreased. By their own testimony, the women expressed increased satisfaction with all aspects of their jobs. Researchers tentatively concluded that performance and efficiency improved because of the rest periods, relief from monotonous working conditions, the wage incentive, and the type of supervision provided in the test environment. After additional study and consideration, the first two factors were rejected and further tests were conducted in an attempt to verify the effects of incentives and working conditions. The results were still not totally conclusive. Finally, researchers realized worker attitudes within the group were influential as was the more personal atmosphere of the test room. They concluded factors such as lighting, hours of work, rest periods, bonus incentives, and supervision affected workers, but the attitudes of the employees experiencing the factors were of greater significance. As a result, the Hawthorne team decided not to pursue similar studies. Almost as significant during the relay assembly tests was the introduction of a team of academics from the Harvard Business School into the experiments. Led by professors Elton Mayo and F. J. Roethlisberger, this new group of researchers would have an enormous impact on the Hawthorne studies and the future of human relations in the workplace.

Mayo's contributions became increasingly significant in the experiments during the interviewing stages of the tests. Early results from the illumination tests and the relay-assembly tests led to surveys of worker attitudes, surveys not limited to test participants. From 1928 to 1931, more than 21,000 individuals were interviewed to survey worker morale in an attempt to determine specific features of their jobs workers either liked or disliked. The objective was to identify areas where reasonable improvements might lead to greater job satisfaction and thus increased efficiency and productivity.

The initial conclusions were disappointing. Interviewers looked for factors concerning job satisfaction, working conditions, and supervision. What they found was a complex battery of attitudes influenced by outside factors such as conditions at home or within the community, as

well as one's social situation at work. Researchers began to conclude that prior life experience had an important influence on worker attitudes, and that manipulation of lighting, pay, supervision, and working conditions could not solely bring about a desired change. The one consistent conclusion was that employees felt more positive about the work environment when an interviewer or listener showed interest. This interviewing technique, the nondirective method, proved useful to later researchers at Hawthorne and eventually led to an employee counseling program, now widely practiced in personnel management circles.

Bank-wiring tests

The final stage of the studies was the bank-wiring tests, which began in November 1931. The foreman of the bank-wiring department resisted the intrusion of observers into his work space and a bank-wiring test room was set up. The test room housed nine wirers, three solderers, and two inspectors. All were male between the ages of 20 and 25. Their job was to wire conductor banks, a repetitive and monotonous task. The banks were one of the major components of automatic telephone exchange. Between 3,000 and 6,000 terminals had to be wired for a set of banks. The work was tiring and required the workers to stand for long periods of time. Pay incentives and productivity measures were removed, but a researcher was placed into the test room as an observer and the workers were interviewed. The purpose of the bank-wiring tests was to observe and study social relationships and social structures within a group, issues raised by two other significant members of the research team, W. Lloyd Warner and William J. Dickson. Warner was on Mayo's Harvard team, trained as an anthropologist and primarily interested in Hawthorne from an entirely different perspective, that of an observer of the social behavior of a group. Dickson was a Hawthorne employee, with an even keener interest in the tests than the Harvard team; he remained with the company until retiring in 1969. Their contributions were to adapt social anthropology research methods to industrial conditions. Dickson conducted the interview phase of the tests. Perhaps the most revealing aspect of the bank-wiring tests was that the workers combined to slow down production—a clear indication of the need for analysis of the social relationships of workers. Research showed the most admired worker among the group was the one who demonstrated the greatest resentment of authority by slowing down production the most.

The bank-wiring tests were shut down in the spring of 1932 in reaction to layoffs brought on by the deepening depression. Layoffs were gradual, but by May the bank-wiring tests were concluded. These tests were intended to study the group as a functioning unit and observe its behavior. The study findings confirmed the complexity of group relations and stressed the expectations of the group over an individual's preference. The conclusion was to tie the importance of what workers felt about one another to worker motivation. Industrial plants were a complex social system with significant informal organizations that played a vital role in motivating workers. Employees had physical as well as social needs, and the company gradually developed a program of human relations including employee counseling and improved supervision with an emphasis on the individual workers. The results were a reinterpretation of industrial group behavior and the introduction of what has become human relations.

The Hawthorne legacy

The Hawthorne studies were conducted in three independent stages—the illumination tests, the relay-assembly tests, and the bank-wiring tests. Although each was a separate experiment, the second and third each developed out of the preceding series of tests. Neither Hawthorne officials

nor NRC researchers anticipated the duration of the studies, yet the conclusions of each set of tests and the Hawthorne experiments as a whole are the legacy of the studies and what sets them apart as a significant part of the history of industrial behavior and human relations.

The tests challenged prior assumptions about worker behavior. Workers were not motivated solely by pay. The importance of individual worker attitudes on behavior had to be understood. Further, the role of the supervisor in determining productivity and morale was more clearly defined. Group work and behavior were essential to organizational objectives and tied directly to efficiency and, thus, to corporate success. The most disturbing conclusion emphasized how little the researchers could determine about informal group behavior and its role in industrial settings. Finally, the Hawthorne studies proved beyond certainty that there was a great deal more to be learned about human interactions in the workplace, and academic and industrial study has continued in an effort to understand these complex relationships.

Beyond the legacy of the Hawthorne studies has been the use of the term "Hawthorne effect" to describe how the presence of researchers produces a bias and unduly influences the outcome of the experiment. In addition, several important published works grew out of the Hawthorne experience, foremost of which was Mayo's The Human Problems of an Industrial Civilization and Roethlisberger and Dickson's Management and the Worker. Other books focused on the various parts of the experiments, and researchers have written countless analyses and histories of the Hawthorne studies.

The Hawthorne studies have been described as the most important social science experiment ever conducted in an industrial setting, yet the studies were not without their critics. Several criticisms, including those of sociologist Daniel Bell, focused on the exclusion of unionized workers in the studies. Sociologists and economists were the most commanding critics, defending their disciplinary turf more than offering serious criticisms. For his part, Mayo called into question research findings of both economists and psychologists. More serious questions were raised by social scientists who termed the studies bad science due to Mayo's conservative views. Others expressed serious concerns about undue pressure from corporate interests and called Mayo and his colleagues "servants of power." Despite these critical views, the flow of writings on the Hawthorne studies attests to their lasting influence and the fascination the tests have held for researchers. The studies had the impact of defining clearly the human relations school. Another contribution was an emphasis on the practice of personnel counseling. Industrial sociology owes its life as a discipline to the studies done at the Hawthorne site. This, in part, led to the enormous growth of academic programs in **organisational behavior** at American colleges and universities, especially at the graduate level.

12.8 EMPLOYEE COUNSELLING

Employee counselling is a vital part of performance review and potential appraisal, if these are to achieve their basic purpose of helping employees to improve and develop. Unless carefully and sensitively handled, employees may become more dissatisfied after the counselling than before.
Counselling is described as the help provided by the supervisor to the subordinates in analysing their performance and other behaviours on the job, in order to improve their performance.

Counselling is also used sometimes in the sense of coaching and reviewing one's performance. Such a review identifies not only the potential for development but also the training needs for further improvements.

Employee Counselling is the most important tool of a supervisor who wants to improve the performance and behavior of employee. If performance problems persist even after feedback and coaching which are other two important tools with a manager, one may need to proceed to counselling.

Counselling focuses on the problem, not the employee, and is positive and constructive. Counselling is a formal straight, face-to-face conversation between a supervisor and an employee concerning conduct, and performance. It is an efficient means for a supervisor to have a positive effect on employee performance.

There are certain prerequisites of a successful counsellor. The first and foremost is that he/she should be approachable and possess good interpersonal and communication skills. Armed with an open mind and flexible and challenging attitude, should have a genuine desire to help others.

Employee Counselling takes place in the context of a helping relationship in which both the counsellor and the employee work together to resolve a problem, change behavior or foster personal growth and awareness. The counselling relationship is confidential and not reciprocal. The focus of a counsellor is to offer support and encouragement to the employee.

Employee Counselling is based on the premise that employee performance can be enhanced if the employee is properly counselled by skilled managers. Employee Counselling is defined as working to help poor or underperforming employees improve and therefore it is vital to have an effective and well-documented counselling for two important reasons – firstly to improve performance and secondly to serve as support and possible evidence for subsequent termination if the employee fails to improve.

Managers frequently identify counselling as a task that they have trouble implementing. For successful counselling it is important to win the employee's confidence that change is needed, identify the problem, agree to specific actions the employee would take, providing regular feedback and recognizing improvements. Counselling helps in improving employee performance when applied properly and at the appropriate time.

Employee counselling is a method of understanding and helping individuals who have technical, personal and emotional adjustment problems interfering with their work performance.

The personal adjustment of an employee is often improved when he is able to obtain information that he needs for reaching an intelligent solution to his problems or when he is able to express his feelings without fear of reprisal. Counselling is a sophisticated form of communication in which attempts are focused to maintain constructive attitudes.

Viewed in this manner, counselling has been practised in one from or the other since the evolution of mankind. In every field which requires dealing with people, counselling is essential. The origin of counselling as a scientific procedure can be traced back to the psychoanalytical method of Freud and client – centred counselling method of Carl Rogers used in therapeutic setting.

Though counselling in the context of employment is different from counselling in a therapeutic setting, what is commonly applicable to both is a strong relationship between the client and the counsellor by developing and expressing attitudes of congruence, acceptance and empathy by the

counsellor. These attitudes must have been experienced by a client and he must feel that he is psychologically well received by the counsellor.

The counselling activity in industries may be said to have emerged from the founding stages of the human relatives movement when the Hawthorn Plant of the Western Electric Company in Chicago installed a personnel counselling programme that utilized special rules for interviewing derived from the need of eliciting from the employees matters of emotional significance to them.

Since then, counselling in industries has been found to be useful and of special assistance in alleviating attitudes that are detrimental to both the employee and the organization. At present, counselling in industries can be thought of as a type of interview in which attention is focused on the individual's feelings and attitudes towards a problem area and in which an attempt is made to help the person to reach a satisfactory solution to his problem.

Counselling in industries is a special method of problem solving which adopts the perspective that people can think well when they think aloud with someone else who will question their thoughts, help them to clarify their thoughts and help to start the process of generating solutions or managing situations more effectively.

12.9 JAPANESE STYLE OF MANAGEMENT

Japanese management is called omikoshi management. Omikoshi refers to the young men who carry the portable shrine in festival parades. It is impossible to identify the leader or those who are, or are not, carrying their fair load. Thus, all are anonymous contributors to the group. Japanese management has the responsibility to create a harmonious environment in which each member of the group effectively contributes to group goals. Japanese feel that the nail that sticks up must be hammered down.

12.9.1. Characteristics of the Japanese management style.

1.People, rather than things or money, are at the center of Japanese management.
2. The aim of restoration of mass production to organize people and skills effectively under democratic policy.
3. Lifetime employment, that is large companies hire regular employees' right out of school and keep them until retirement.
4. Seniority system for salaries and promotions rather than on the basis of performance.
5. The relationship among the employees and employer is like family members and taking responsibilityforeachother.
6. Employee's contract is not created based upon job description.
7. Analyzing an employee's ability and aptitude, and then place the "right" people in the "right" position within the organisation.
8. Clerical positions and also, specialists' jobs are very similar in western corporations.
9. Popular training program which is "Guess Who Game." Here the participants are encouraged to guess their own and other employees' type from their comments and a trainer then gives them an opportunity to consider applications to communication in the workplace.

12.9.2 Hiring: Emphasizing people rather than job responsibilities [CONTRAST BETWEEN THE WEST AND JAPAN].

The relationship between organizations and people is basically different in Japan when compared with western countries. In the West, the minimum unit within the organization is considered the "job" and individuals relate to the organization by performing their "jobs." For that reason, job analysis is essential and job descriptions are adhered to by employees who actually perform the jobs. In the hiring procedure, serious consideration is given to matching an applicant's aptitude with an employer's job requirements. On the other hand, in Japanese organizations, the minimum unit is considered a "person." The relationship between people and organizations is very direct and organizations believe that these "people" create their jobs instead of the organizations offering them "job descriptions." Thus, the sphere of job requirements may change according to the people who perform the jobs. This may be a unique characteristic. Thus, Japanese management does not emphasize the importance of preparing job analysis, descriptions, and requirements.

12.9.3 Reason of emphasizing adoption of corporate culture rather than adaptation to job.

In many western corporations, the decision to hire an applicant is based upon his/her suitability for the job requirements. However, in the Japanese organization, an applicant is evaluated based upon whether or not he/she is suitable for the corporate culture on the assumption that the individual has high potential for future performance. Furthermore, the organization emphasizes the importance of evaluating an applicant based on whether he or she is totally acceptable as a family member of the corporation.

12.9.4 Treatment systems of salary of japan and western countries.

In western countries, salaries reflect what a job itself requires, whereas in Japan, salaries are determined based upon employees' competence, depending upon where they are classified within the corporation. In other words, western corporations set job descriptions according to job analysis, and employees' salaries are determined by which position they are hired for. In contrast, Japanese corporations emphasize the importance of such factors as educational background, length of employment, and competency when determining salary. Thus, in Western countries, if salaries are decided based upon a job itself, there is a possibility that each new graduate from the same university will have a different salary at the entry position. However, in Japan, all new graduates will receive the same salary at the entry level because of Japan's "competency system" for determining salaries. After hiring, similar to western corporations, there is a regular annual increase or promotion according to performance reviews. However, there is a difference in that, as a general rule, there is no demotion in the Japanese corporation. This system, not dependent on job description, is one very Japanese style of management.

12.9.5 Training programs.

Japanese corporations hire college graduates who have little or no work experience. Although it has become popular to hire mid-career people for jobs that require experience and specific skills in the Japanese corporation, the most popular method is still to hire new graduates collectively when they graduate and educate them "from the ground up." They are followed following training and development programs:

1. On-the-job training programs created for employees in the corporation are designed to train for the particular needs of a workplace, such as office management, business knowledge, and the acquisition related skills.

2. Off-the-job training programs include a variety of courses, such as training for classified employees, outside seminars, correspondence courses, short-term exchange programs with other corporations, and going abroad to attend college.

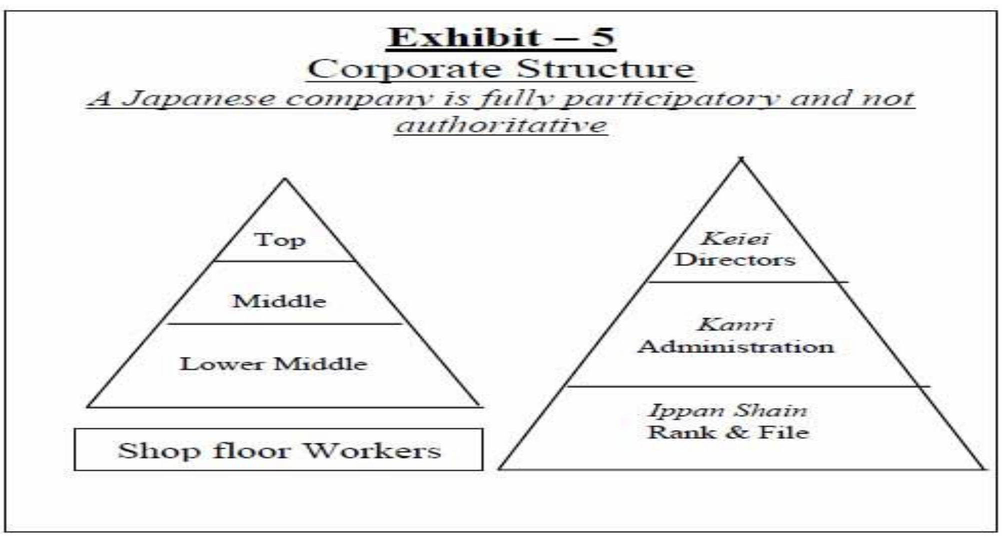
12.9.6 JAPANESE STYLE MANAGEMENT [AN OVERVIEW]

Management Philosophy

The concepts of "Wa" (harmony) and "service to the nation and society" can be found expressed in company creeds and mottoes. Every company has its own corporate or management philosophy expressed in various ways. The most common forms of expression are "Shage" (corporate constitution)and"Shakun"(codeofbehavior). Sincerity and harmony are the most favored in Japanes Management. Refer Exhibit -2 and 3 for some examples of "Shage" and "Shakun". Recently, it has become fashionable among companies to establish and propagate a corporate identity (CI) to improve the corporate image.

Corporate Structure:

The top-management in Japanese companies has an extremely closed structure. Although two or three directors may be invited to join the company from outside, in most cases, directors are appointed from within the company's former management level-staff. Moreover, employees are not considered to be consumable physical resources, but as important corporate members in the corporate structure. Refer Exhibit-5 for the typical roles at different level in a Japanese company.



Human Resources Management Practices

The personnel and human resources management practices of Japanese companies are mainly oriented towards people and their development. There are some specific characteristics, which are not found in the traditional western management system. Some of these distinct characteristics are:

1. Lifetime Employment: The lifetime employment system involves hiring people who have just graduated a high rate of stability among employees and guaranteeing work until the mandatory retirement age. The system is oriented towards human relations, human development and training guaranteed employment, equality, participation and welfare.

2. Seniority based promotion and wage system: The promotion from lower level to immediate higher level is mostly based on seniority. However, the pace of promotion is very slow though. It does not mean to say that promotion does not take account of performance evaluation and qualification of the employee. Higher weight age is given to senior person, or on the number of years he or she has worked with the company. Wage structure is also based on seniority.

3. Groupism: The special cultural quality of Japanese society has a great deal of impact on the Japanese management practices. The typical Japanese ways of thinking –"Uchi" (insider) and "Soto" (outsider) is actually practiced in Japanese management system. The special character of "WE" is very strong in Japanese companies.

Exhibit – 2

Corporate Philosophy

Principles/Objectives	Service to Mankind
Code of Conduct Company Song	Contribution to industry and society
Company emblem	Promotion of technology
Employee diary	Sincerity & effort
Operational standards	Unity, cooperation & harmony
Rules of employment	Improvement of standards of living
Collective labour agreement and others	Human resources development

Exhibit – 3

Shage and Shakun

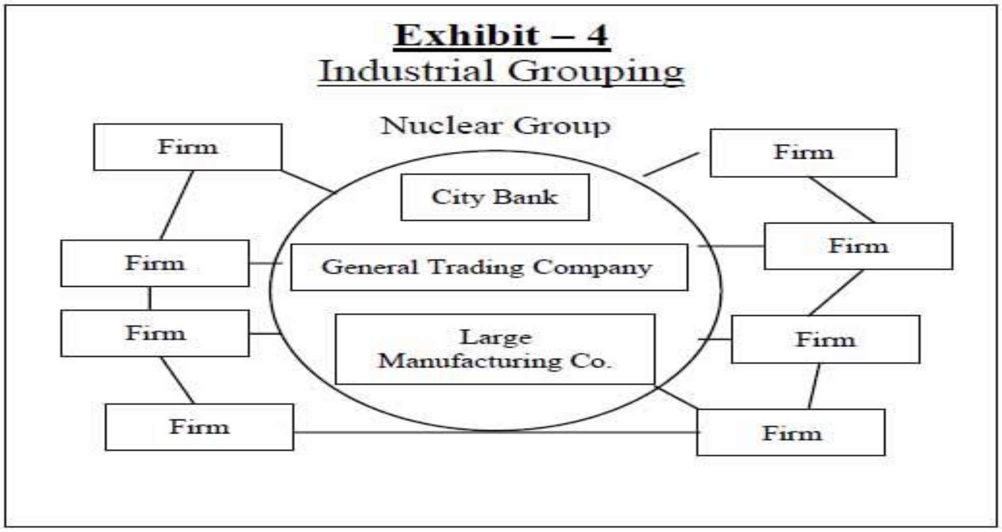
Corporate Constitution and Code of Conduct

Most frequently used terminology:
Sincerity, Harmony, Effort, Cooperation, Service to Society

Kirin: Sincerity, consumer orientation, contribution to pleasant life, Quality service, efficiency, creation of new values
Kanebo: Humanitarian based on love & justice, scientific rationalism, Service to society
Daihatsu: Highest technology, gain greatest trust, best harmony
Takeda: Service to the nation, harmony and cooperation, continuous study, saving, modesty and social order.
TDK: Contribution to world culture, vision, courage and reliance
Kyocera: Respect of heaven and loving people

Ownership Structure:

The vast majority of typical Japanese companies are not family-owned. Some of these exceptions are Toyota Motor Corporation, Oobayashi Corporation, Taisho Pharmaceuticals Co, Santory Ltd, and a few others some others .The owners are mainly financial institutions and companies that are affiliated to the same business group. Refer to Exhibit-4 for example.



The relationship among the group member institutions are mutual assistance and stockholding, interlocking directors, human resource development, joint R & D, independent members, no holding company, regular meetings.

12.10 SUMMARY

Human factors engineering, also called **ergonomics** or **human engineering**, science dealing with the application of information on physical and psychological characteristics to the design of devices and systems for human use. The term *human-factors engineering* is used to designate equally a body of knowledge, a process, and a profession. As a body of knowledge, human-factors engineering is a collection of data and principles about human characteristics, capabilities, and limitations in relation to machines, jobs, and environments. As a process, it refers to the design of machines, machine systems, work methods, and environments to take into account the safety, comfort, and productiveness of human users and operators. As a profession, human-factors engineering includes a range of scientists and engineers from several disciplines that are concerned with individuals and small groups at work. Employee Counselling is the most important tool of a supervisor who wants to improve the performance and behavior of employees.

12.11 KEYWORDS

Human Engineering
Human Factors
Job design
Work design
Hawthorne Experiments

Employee counselling
Japanese style of management

12.12 Check your Progress Questions

1.What is human engineering?
2.What is machine system?
3.Define Job Design
4.Define Work Design
5.What is employees counselling?

12.13 LESSON END ACTIVITY

Japanese Style of Management and its effects on Corporate Management-Comment

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12.14 QUESTIONS FOR DISCUSSION

1.Describe Human Engineering
2. Explain Hawthorne Experiments
3.Explain employees counselling

12.15 SUGGESTED READINGS

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UNIT X11I -ORGANISATIONAL DEVELOPMENT

13.0AIMS AND OBJECTIVES

After studying this lesson you will be able to:

- Understand meaning, objectives and types of organisational development
- Explain the characteristics of organisational development
- Describe the process of organisational development
- Highlight the theories and practice of organisational development

13.1 INTRODUCTION

The term organisational development was coined by Richard Beckhard in the mid-1950s, as a response to the need for integrating organisational needs with individual needs. Organisational development came into prominence in the 1960s. Organisational development arose in response to needs. Organisational development is an intervention strategy that uses group process to focus on the whole culture of the organisation in order to bring about the planned change. According to Harold M. F. Rush, Organisational development "seeks to change beliefs, attitudes, values, structures, and practice so that the organisation can better adapt to technology and live with the fact pace of change". It seeks to use behavioural science knowledge to help organisation and to adjust more rapidly to change.

13.2 CONCEPT OF ORGANISATION DEVELOPMENT:

The concept of organisation development and its audit is still an emerging field. According to Keith Davis, "Organisation development (OD) is an educational strategy which focuses on the whole culture of the organisation in order to bring about planned change. It seeks to change beliefs, attitudes, values, and structures—in fact, the entire culture of the organisation—so that the organisation can better adapt technology and live with the pace of change".

So, audit in relation to O.D. is a subjective process rather than an objective one. O.D. Audit seeks to identify, review and evaluate how the planning efforts were made, directed and implemented:

(i) To achieve organisation goals,

(ii) To develop new forms and

(iii) To improve technology, etc.

This kind of audit, as distinguished from traditional audit approach, examines and appraises in a systematic manner the whole gamut of technical system and socio-organisational relationships to ascertain how and to what extent the organisation has been successful to minimise 'group-conflicts' and develop effective informational systems, and to offer alternative better solutions if possible.

O.D. audit, thus, **"seeks to build problem-solving capability by improving group dynamics and problem confrontation. In short, it reaches into all aspects of organisation culture in order to make it more humanly responsive."**

13.3. ORGANISATION DEVELOPMENT CHARACTERISTICS:

1. Problem diagnosis: Identification of the system or sub-system where change is pertinently necessary and of their relationships and underlying social relations.
2. Strategy development: Giving special attention to: individuals, sub-systems and the total system, keeping in view the organisational goals and objectives.
Programme implementation: Choosing a system or sub-system, ascertaining the pre-requisites and then implementing the change programme.

Organisation Development Audit Components:

1. It scrutinizes the considerations and techniques employed, viz., employee survey and feedback system.
2. It evaluates the appropriateness of strategy in relation to the organisational goals and objectives.
3. It examines the pre-requisites, reviews the progress of programme, tests relevancy and assesses its effectiveness and accomplishment.

13.4. OBJECTIVES OF ORGANISATION DEVELOPMENT

To apply behavioral science theories: The first objective of organisation development is to apply some behavioral science theories in the organisation. By applying these theories organisation development practices hope for development.

To improve organizational performance: Another objective of organisation development is to improve the overall performance of the organisation. Thus the organisation can be established as one of the important institutions in human history.

To ensure proper use of individual efforts: Individual performance should be improved. This is possible by using individual efforts properly. Organisation development ensures proper use of human efforts and commitment.

To create awareness: Organisation development creates awareness among the people working in the enterprise. They feel the need for change in comparison with other organisations.

To encourage people to solve problems: Every organisation has many problems and challenges. Organisation development encourages people to solve these problems and face challenges at present and future.

To establish and maintain interpersonal relations: Organisation development activities may be implemented with a view to establishing and at the same time maintains interpersonal relations among the people of the organisation. This can ensure continuous growth.

To create & maintain work environment: Working environment must be favorable in the organisation. Organisation development practitioner's to create a favorable working environment and maintain the same for smooth functioning in future.

To increase knowledge & skills: Knowledge on latest methods and skills can streamline the growth of any organisation. Organisation development intends to increase the knowledge and skill levels through training.

To minimize resistance to change: In most of the cases, every change is resisted, it hampers goal achievement. Organisation development helps minimize the resistance to change in a positive mood so that management becomes more alert.

To create job satisfaction: Job satisfaction encourages the people to work hard with joy. Organization development creates job satisfaction of employees who are involved in organisation development activities.

To increase motivation level: Motivation creates interest for work among the employees. Therefore another important objective of organisation development is to increase motivation.

To create supportive values: Every organisation and employee have some values and norms. The values and norms can help the organisation to uphold its own culture. Organisation development creates supportive suitable values and norms.

13.5. PROCESS OF ORGANISATIONAL DEVELOPMENT:

1.Initial Consultation:

The first step in the organisational development process is to approach the organisational development consultant to determine the type of OD programme to be developed. The consultant may be a professional consultant from outside or he may be an internal service personnel expert in organisation development programmes.

At this point, the consultant may have consultations with persons from various levels in the organisation in order to -gain the knowledge of imports. For this purpose, he may interview such persons or he may adopt any other way to be acquainted with the necessary information.

2 .Data Collection:

The next step in the process is data collection. The consultant meets various groups away from the work place in order to determine the organisational climate and behavioural problems faced by the organisation. They gather information through surveys and develop information through interviews etc.

3 .Data Feedback and Confrontation:

Data, so collected are made known to workgroups concerned and are asked to review the data collected. They go through the data and locate the points of disagreement, discuss such points and take the decision and then suggest the priorities for change.

4. Action Planning and Problem Solving:

Data are used by the group to suggest specific recommendations for change. They discuss the problems, faced by the organisation and sketch specific plans including who is responsible for problems and their solutions and what action should be taken and at what time.

5. Team Building or Team Formation:

During the whole process, group meetings are convened to discuss the programme and the consultant in the whole process encourages the groups to examine how to work together as a group or as a team. The consultant helps them to see the value of open communication and trust them.

These are essential pre-requisites for improved group functioning. Consultant also encourages team building by organising meetings with managers and their immediate sub-ordinates. So that they can improve the functioning of the work group with the guidance of the consultant.

6 .Inter-Group Development:

With the development of natural team (a manager and his sub-ordinates), the larger groups comprising several teams may be developed. In this way, it will include the whole organisation.

7. Appraisal and Follow-Up:

The consultant further helps the organisation in making an appraisal of the programme and find out the deficiencies if any. He can develop additional programmes in areas where the original programme is felt ineffective and results are poor and that requires improvement. Thus, the consultant advise follow-up for better understanding.

Thus, the above social process and the steps discussed are not the same with every type of organisation. They may differ from organisation to organisation depending on the society in which it is being applied.

For Example — where trade unions have political bent, the workers are on the board of directors. There is also more industry government interaction. In such climate, organisational development is more concerned with power and political implications of the action plans.

Organisational development process involves the following steps:

1. Problem identification and definition.
2. Collection of necessary data.
3. Diagnosis.
4. Planning of change and its implementation.
5. Evaluation of feedback.

Step # 1. Problem Identification and Definition:

Understanding and identification of the problem in the organisation is the first step in OD process. The awareness of the problem includes knowledge of the possible problems of organisational growth, human satisfaction, organisational effectiveness, and use of human resources. Having understood exactly what the problem is, the OD practitioner can proceed to collect the necessary data to solve the problem.

Step # 2. Collection of Necessary Data:

Data gathering is perhaps the most important activity in the process of OD. Personal interviews, personal observations, and questionnaires are the most common base through which the data is collected. Different data and as such the question of which method to use depends upon the

nature of problem the organisation encounters. Having collected the necessary data, organisation proceeds to analyse it.

Step # 3. Diagnosis:

There is no hook-book formula for accurate diagnosis. It demands considerable skills of analysis and observation as most of the problems are often expressed by organisational members in ambiguous terms. OD program may turn out to be a self-defeating exercise if decisions were to be based on such general vague information.

Before decisions are taken, the information collected must be subjected to a microscopic examination, and therefore, experience and judgement are critical to this phase. If organisational leaders were to show in decent haste to arrive at decisions quickly without considering the pitfalls, dangers, it may prove to be very costly at the end. Diagnosis should not be limited to a single problem.

Often, important factors like attitudes, assumptions, available resource, etc., must be taken into account in the diagnostic phase. For this purpose attitude surveys can be undertaken through questionnaires wherein the respondents may be asked to evaluate and rate several jobs related factor like working conditions, compensation, benefits, etc.

Such surveys will help identify the problem clearly as perceived by the organisational members. Diagnosis assists the planners to locate the source of specific problem and see what changes are required in the system, the structure, or in people.

Step # 4. Planning of Change and its Implementation:

After diagnosing the problem, the OD expert turns his attention to the planning of change and implementing it. OD interventions come into picture here. Intervention is considered to be the action phase in OD process. Intervention is a set planned, programmed activities, and techniques by which organisation and their clients collaborate in an OD program. According to French and Bell, 'interventions consist of the long range evolving applications of OD techniques targeted for changing individuals, groups, or the total organisations'.

The range and numbers of available interventions is not small but extensive. The particular interventions to be used depend on the target group in the organisation. One intervention differs from another. In a program it does not consider all interventions, but selects the appropriate one that suits the requirement. But sometimes more than one intervention is used in a program.

Step # 5. Evaluation and Feedback:

Probably one of the important stages in OD process is evaluation. As one stage ends and another stage looms, evaluation is helpful to know as to what has been done, whether it is correctly done or not, and show whether further work is needed before proceeding to the next stage.

Any OD activity is incomplete without proper feedback. Feedback is the process of relaying evaluations to appropriate employees and group by means of special sessions or reports. Feedback must be carefully handled because sometimes emotional factor set in.

For instance, when mistakes of some of the members are spelled out then emotional factors accompanying the resentment may creep in. It is important to remember that feedback should be based on the broad array of data and should include the assessment of the change model itself.

13.6. ORGANISATIONAL DEVELOPMENT THEORY:

Organisational Development (OD) is a field of research, theory, and practice dedicated to expanding the knowledge and effectiveness of people to accomplish more successful organisational change and performance.

OD is a process of continuous diagnosis, action planning, implementation and evaluation, with the goal of transferring knowledge and skills to organizations to improve their capacity for solving problems and managing future change.

History and Application of Organisational Development Theory

OD emerged out of human relations studies from the 1930s where psychologists realized that organizational structures and processes influence worker behavior and motivation.

Lewin's work in the 1940s and 1950s also helped show that feedback was a valuable tool in addressing social processes.

More recently, work on OD has expanded to focus on aligning organizations with their rapidly changing and complex environments through organizational learning, knowledge management and transformation of organisational norms and values.

Key Concepts of Organisational Development Theory

Organisational Climate

- Defined as the mood or unique "personality" of an organisation.
- Attitudes and beliefs about organisational practices create organisational climate and influence members' collective behavior.
- Climate features and characteristics may be associated with employee satisfaction, stress, service quality and outcomes and successful implementation of new programs. Climate features and characteristics include:

Leadership, openness of communication, participative management, role clarity, and conflict resolution, leadersupportandleadercontrol.

***Organisational Culture**:*

Deeply seated norms, values and behaviors that members share.

The five basic elements of culture in organisations include:

1. Assumptions
2. Values
3. Behavioral norms
4. Behavioral patterns
5. Artifacts

The subjective features (assumptions, values and norms) reflect members' unconscious thoughts and interpretations of their organisations.

The subjective features shape the behaviors and artifacts take on within organisations.

Organisational Strategies

A common OD approach used to help organisations negotiate change, i.e. action research, consists of four steps.

1. Diagnosis
    - Helps organisation identify problems that may interfere with its effectiveness and assess the underlying causes
    - Usually done by OD enlisting the help of an outside specialist to help identify problems by examining its mission, goals, policies, structures and technologies; climate and culture; environmental factors; desired outcomes and readiness to take action.
    - Usually done through key informant interviews or formal surveys of all members.
2. Action planning

- Strategic interventions for addressing diagnosed problems are developed.
- The organisation is engaged in an action planning process to assess the feasibility of implementing different change strategies that lead to action.

3. Intervention
   - Change steps are specified and sequenced, progress monitored, and stakeholder commitment is cultivated.
4. Evaluation
   - Assess the planned change efforts by tracking the organisation's progress in implementing the change and by documenting its impact on the organisation.

13.7. PRACTICES OF ORGANISATIONAL STRUCTURE

Organisational development is a practice that examines how individuals within a company change. Relying upon discoveries found in the fields of communications, anthropology, sociology and psychology, organisational development practiced within a company aims to maintain and develop effective relationships among employees, customers and investors. When practiced correctly, a company focuses on achieving objectives while embracing partnerships, talent, leadership and innovation.

Action Plans

Companies practicing organisational development should develop a plan of action that is clear and focused. Moreover, management should communicate this plan to the company's employees, customers and stakeholders on a regular basis. The best action plans are those that start with a simple proposal created with knowledge about the company's target customer, and have a realistic observation regarding its own functional competencies, as well as current and future capabilities.

Executing the Action Plan

How a company executes its action plan matters more than what they execute. This is because the concept of organisational development dictates that attention to a company's operations counts more than what it may invest in or embrace according to Nitin Nohria, William Joyce and Bruce Roberson in an article for the "Harvard Business Review." Organisational development can help a company execute action plans flawlessly and help maintain their flawlessness.

Nohria, Joyce and Roberson state a company, while executing its action plan, should increase productivity two-fold more than the industry average to help ensure growth that is steady and consistent. A company that demonstrates steady growth shows it had a realistic action plan regarding out-performing the competition. This company also had a realistic view about the most important procedures to satisfy customer needs without undermining quality and service.

Company Culture

The culture within a company must be performance-driven and be taken seriously by management. It is important for the culture of a company to support and encourage teams and individuals, as well as hold employees responsible for achieving a company's goals. When employees share in the company goal, they develop a sense of belonging and ownership. Once

goals are met, a company should raise the bar on performance to a higher level to help ensure ongoing success, which is always rewarded. Employee commitment to a company's success should not mean placing the burden on only lower-ranking workers. Those at the top of the chain of command should share the responsibility, as well.

Company Structure
Successful companies that use organisational development techniques have a structure that is flexible, fast and flat. Procedures within an organisation should change according to employee progress and eliminate company bureaucracy instead of impose on progress. It is also important that the structure developed for carrying out action plans be realistic and simple for workers, customers and vendors alike. For a company's structure to see success, a company should equally seek future excellence in the ingenuity of its managers and the cleverness of middle managers and employees.

13.8. ORGANISATIONAL DEVELOPMENT (OD) INTERVENTIONS

Development intervention are structured program designed to solve a problem, thus enabling an organisation to achieve the goal. These intervention activities are designed to improve the organisation's functioning and enable managers and leaders to better manage their team and organisation cultures. These OD interventions are required to address the issues that an organisation might be facing ranging from process, performance, knowledge, skill, will, technology, appraisal, career development, attrition, top talent retention and the list can actually be pretty exhaustive.

There are 3 types of interventions that an organisation should be able to identify and plan to implement.

1. **Individual** : Interventions pertaining to an individual.

2. **Group** : Interventions pertaining to a group.

3. **Organisation** : Interventions related to the organisation's strategy and policy.

An organisation should be able to identify the kind of OD intervention required. Once the intervention is identified the organisation should then plan to address or eradicate the issue at hand in an effective manner. Below mentioned are the OD intervention process that an organisation should have to address any intervention.

1. **Entering and Contracting** : Here we establish the fact that yes we do require OD intervention to address an issue.

2. **Diagnosis** : In this process we identify the intervention and establish the root cause of the issue.

3. **Designing Intervention** : In this process we design the approach to address the issue or intervene to sort the issue out and bring value to business.

4. **Leading and Managing Change** : Here we establish a focus group with management buy in and implement the designed intervention. OD intervention is a structured programme driven from top to bottom.

5. **Evaluating and Institutionalizing Interventions:** Here we evaluate the course of actions implemented and see if we are on track or if we need to re-design the approach so that the objective if met.

There are 4 buckets in which the OD intervention process can be bundled together.

1. **Human Process** : Human process related activities are tagged under this group viz.

a. Job Analysis.

b. Team Building Activities.

2. **Strategic** : Activities related to organizational strategies and policies are grouped under this bucket.

3. **Human Resource Management** : Human resource related activities are grouped under this bucket viz.

a. Reward and Recognition.

b. Appraisal.

c. Career Development.

4. **Technostructural** : Activities related to technology or where technology is related are tagged under this bucket.

Conclusion : These are some of the aspects of Organisational Development Interventions and the effective mechanism to identify and address the issues at hand. These interventions are unavoidable in totality, however a vigilant and matured organisation should be able to apprehend the issue much before it erupts off on bigger scale and should be able to address at the very initial stage when it can be done with minimum efforts. The cost of negligence can have adverse impact in terms of cost, wide spread agitation resulting in to image, reputation, and delivery and branding loss.

13.8.1 Quality circles

Quality circle is a management tool which is implemented in many organisations to improve effectiveness of equipment in an organisation. Quality circle is a tool which gives a number of

benefits like organisational performance improvement, product quality improvement and improvement in the relationship within the organisation which motivate workers and improve team work among them. Implementation of Quality circle contains brief study of all factors which affect it. Quality Circle is basically defined as a volunteer group composed of members who meet to talk about workplace and service improvements and make presentations to their management with their ideas (Prasanna and Desai, 1998).

13.9. SUMMARY

"Organisation development (OD) is an educational strategy which focuses on the whole culture of the organisation in order to bring about planned change. It seeks to change beliefs, attitudes, values, and structures—in fact, the entire culture of the organisation—so that the organisation can better adapt technology and live with the pace of change". Quality circle is a tool which gives a number of benefits like organisational performance improvement, product quality improvement and improvement in the relationship within the organisation which motivate workers and improve team work among them. Implementation of Quality circle contains brief study of all factors which affect it.

13.10. KEYWORDS

Organisational Development

Process

Intervention

Quality circles

13.11. Check your progress questions

1.Define Organisational Development

2.What are the objectives of Organisational Development programme?

3.Explain the characteristics of Organisational Development

13.12. LESSON END ACTIVITY

What are the other alternative plans you can think for implementing organisational development?

13.13. QUESTIONS FOR DISCUSSION

1.Define Organisational Development and Explain the various objectives of organisation development.

2.What do you mean by organisation development intervention? Explain

3.Explain the Theories of Organisational development.

13.14. SUGGESTED READINGS

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XIV -ORGANISATIONAL CHANGE

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14. AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Understand the process of organisational change
- Know the objectives of organisational change
- Study the various process of organisational change
- Analyze factors that increase resistance to change
- Explain the theories of organisational change

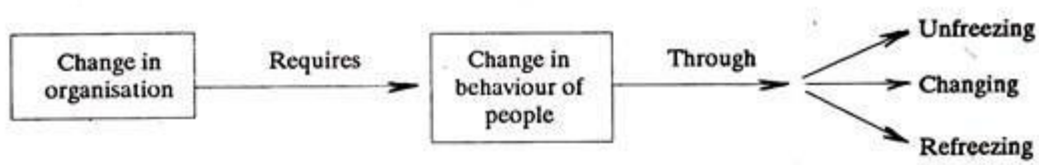
14.1. INTRODUCTION

Organisational change refers to the alteration of structural relationships and roles of people in the organization. It is largely structural in nature. An enterprise can be changed in several ways. Its technology can be changed, its structure, its people and other elements can be changed. Organisational change calls for a change in the individual behaviour of the employees. Organisations survive, grow or decay depending upon the changing behaviour of the employees. Most changes disturb the equilibrium of situation and environment in which the individuals or groups exist. If a change is detrimental to the interests of individuals or groups, they will resist the change.

14.2. ORGANISATION CHANGE PROCESS

Unless the behavioural patterns of the employees change, the change will have a little impact on the effectiveness of the organisation.

A commonly accepted model for bringing change in people was suggested by Kurt Lewin in terms of three phase process:-



1. Unfreezing:

The essence of unfreezing phase is that the individual is made to realize that his beliefs, feelings and behaviour are no longer appropriate or relevant to the current situation in the organisation. Once convinced, people may change their behaviour. Reward for those willing to change and punishment for others may help in this matter.

2.Changing:

Once convinced and ready to change, an individual, under this phase, learns to behave in new ways. He is first provided with the model in which he is to identify himself. Gradually he will accept that model and behave in the manner suggested by the model. In another process (known as internalisation), the individual is placed in a situation where new behaviour is demanded of him if he is to operate successfully.

3. Refreezing:

During this phase, a person has to practice and experiment with the new method of behaviour and see that it effectively blends with his other behavioural attitudes. Reinforcement, for creating a permanent set in the individual, is provided through either continuous or intermittent schedules.

14.3. RESISTANCE TO ORGANISATIONAL CHANGE:

Resistance to change is perhaps one of the baffling problems a manager encounters because it can take many shapes. People may resign, they may show tardiness, loss of motivation to work, increased absenteeism, request for transfer, wild-cat strikes, shoddy work, reduction in productivity etc.

Classification of Resistance to Change:

Resistance to change may be classified as:

1. Industrial Resistance
2. Organisational Resistance

1. Industrial Resistance:

Individual resistance may be there because of the following reasons:

A. Economic Reasons:

(a) Obsolescence of Skills:

When a person feels that with the introduction of newer processes, his skills will just become obsolete, he will resist the change. For example, a twenty years experienced accountant is quite likely to resist the introduction of a computer for preparing the wage bills because he feels that might affect his pay and position.

(b) Fear of Economic Loss:

People resist change if it opens the possibility of lowering their income directly or indirectly.

B. Personal Reasons:

a. Ego Defensiveness:

A sales manager may turn down the suggestions of a salesman simply because the manager perceives that his ego may be deflated by accepting the suggestion.

b. Status Quo:

Most of the people feel comfortable with status quo and strongly resist change as it may involve uncertainty and risk.

c.Fear of Unknown:

Change presents unknown and unknown poses a constant threat and sores people. For fear of unknown, a manager may refuse promotion that requires his relocating in another state.

C. Social Reasons:

a. Social Displacement:

Introduction of change (e.g., relocating) may result in breaking up of work groups and thus result in disturbance of the existing social relationships of people.

b.Peer Pressure:

Whenever change is unwilling to the peers, they force the individual subordinate employees who are bent of accepting the change, to resist it.

2. Organisational Resistance:

Resistance may also be present at organisational level. Some organisations are so designed that they resist innovations.

Some of the reasons of organisational resistance are:

(a) Threats to Power and Influence:

Some people (especially sitting at the top levels) resist change because they feel that a change might affect their position, power and influence in the organisation.

(b) Organisational Structure:

Some organisation structures (e.g., bureaucratic structure) have inbuilt mechanism for resistance to change.

(c) Resource Constraints:

Non-availability of financial, material and human resources may also act as a resistance to change.

(d) Sunk Cost:

In some companies, heavy capital is blocked in the fixed or permanent assets. If such an organization wishes to introduce change, then difficulty arises because of these sunk costs.

14.3.1 Overcoming Resistance to Organisational Change

Change creates tension and emotional turmoil in the minds of employees. Change thus results in resistance quite frequently, negative reactions doom the success of the change program especially when a manager is unable to handle it properly.

Some of the techniques to handle the change properly and to deal with resistance to change are:

a. Education and Communication:

One of the easiest techniques to overcome resistance to change is to educate the people who resist it. In many cases, people do not properly understand the change and hence become afraid of its consequences and resist change.

b. Participation and Involvement:

If subordinates are allowed to participate and involve themselves in the change process (decision-making regarding the implementation of the change), their misunderstandings about the consequences of change are cleared, they generally feel satisfied and do not oppose change.

c. Support:

Support may be facilitative and emotional. Managers sometimes deal with potential resistance by being supportive. This includes listening, providing emotional support, providing training in new skills etc.

d. Incentives:

Offering incentive is another fruitful way to overcome resistance to change.

e. Manipulation:

Managers generally indulge in manipulation when all other tactics have failed to overcome resistance to change.

f. Coercion:

At times, there is no way except to deal with resistance coercively. People are forced to accept change by threatening them with loss of their jobs, promotion possibilities and so forth.

14.4 PLANNING AND IMPLEMENTATION OF ORGANISATIONAL CHANGE

14.4.1Planning for change

Making changes in your business is a necessary part of continuously improving your people, products, services and performance. There are many reasons for change. The type of change you are experiencing, and your reasons for it, will influence the way you plan your change process.

Developing a business case to identify and describe your business changes will help you explain changes to your staff and keep your planning on track. A clear and well-reasoned business case for change can help you steer your way through your change process and will save time and effort once the process is underway. Keep these important planning steps in mind when preparing your business case.

14.4.2. There are six steps that leaders use to implement lasting change in organisations:

Step 1 – Prepare for Change

First, leaders prepare for change. Knowing that the world will never remain the same, leaders collect information and analyze the strengths and vulnerabilities of the business on an ongoing basis. This helps them anticipate emerging trends in the marketplace.

Thinking about the future and keeping an open mind also helps leaders stay personally resilient. They are able to find new opportunities that emerge and take on new challenges with excitement. This helps set an expectation of continuous improvement.

Step 2 – Explain the Change

When opportunities to change exist, leaders know how to explain the change to others. They can set the context and talk with others about the business reasons for the change. They engage others in conversation and clarify the long-term value of making the change.

Step 3 – Acknowledge the Loss

Even when there is a sound business reason for making a change, great change leaders know that the people affected by the change will still have some concerns. They understand that fear and resistance are natural reactions to change. Supporting people by recognizing the loss of familiar ways of working is an important step towards building long-term commitment. It helps minimize disruptions to the business and eliminates confusion for people during the change process.

Step 4 – Create the Climate

During the implementation of any change, there will be “early adopters” (people who get excited about change). A successful leader identifies these key influencers who are supportive of the change, and with the leader’s help, these individuals can help set a positive tone for the new change. They build excitement and momentum and help others see the benefits of the change and let go of the past.

Step 5 – Build a Plan

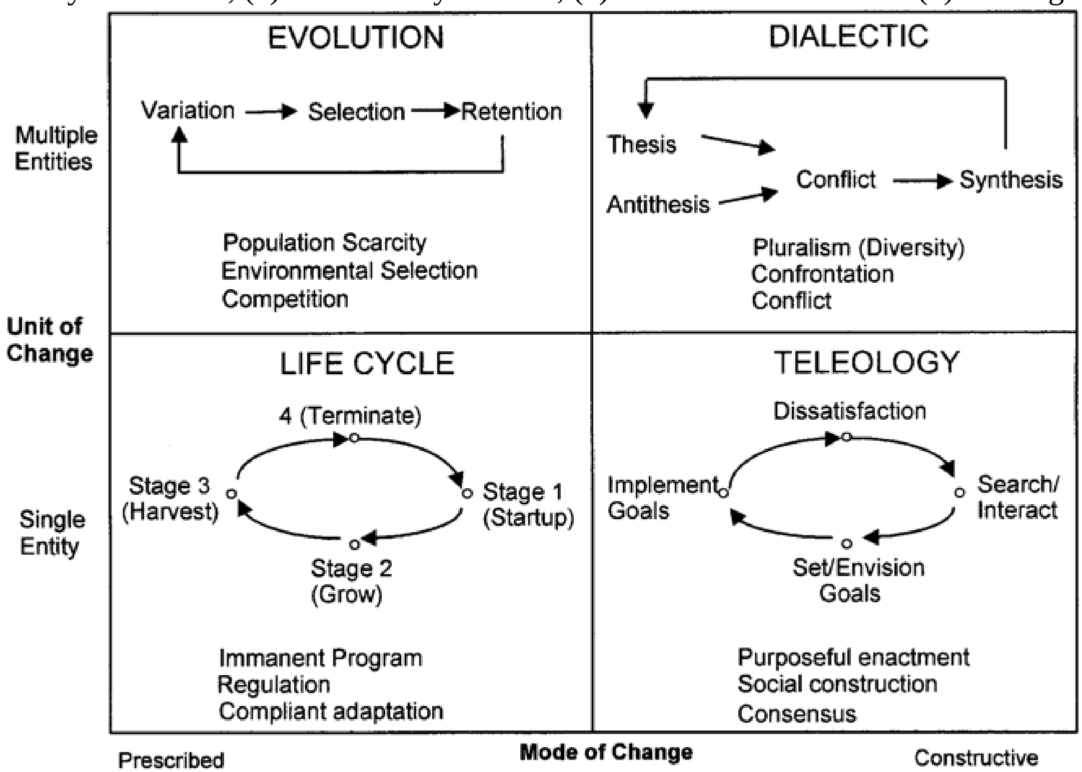
The leader sets a clear direction for the change, how it will be accomplished, and how its success will be measured. No aspect of the implementation is left to chance. The leader defines who, what, where, and when each step of the change will take place.

Step 6 – Launch and Sustain

Finally, once the change is implemented, a leader must make constant adjustments and ongoing improvements. This helps people overcome barriers and sustain the change as part of the organization's new culture.

14.5. THEORIES OF CHANGE

Several theories allow us to explain organisational change and development. These proposals can be grouped in different ways. According to a framework designed under "mode of change" criteria and "unit of change" criteria, we define four ideal change engines (Van de Ven 1995): (1) life cycle theories, (2) evolutionary theories, (3) dialectical theories and (4) teleological theories.



14.5.1. Lifecycle theories (regulated change)

This theory adapts the metaphor/analogy of organic growth to organisational context as a tool permits us to explain different stages of development. Some theories can be framed in this group: developmentalism, ontogenesis, metamorphosis …

According to lifecycle, we can state three fundamental groups (Aldritch 1999):

- **Developmental model**: Change happens during a cycle always composed by the emergency stage, growth stage, maturity stage and decline stage.
- **Scenario model**: It assumes the previous sequence of development but modifies it introducing different phases where the managers make decisions.
- **Metamorphosis model**: It is halfway between theories of development and evolutionary theories. They postulate that changes occur when the structure of the organisation does not fit the environment. In development, theories are the key to successful internal restructuring, while in metamorphosis models they state that change occurs abruptly rather than gradually.

There is a misunderstanding in presuming that evolutionary models only undergo soft and incremental changes in an organisation. There is no pre-established rate of change in evolutionary models. In this way, metamorphosis models can be classified as a specific case of an evolutionary model.

Another kind of division could be composed according to whether the generative mechanism is regulated by natural, logical or institutional norms. If the mechanism is regulated by natural or logical forces, determinism is much greater than if it is by institutional ones.

These theories emphasize a lot the sequentially of well-defined and unavoidable stages. Where each one of the posterior states depends on a group of outputs framed in previous cycle stages. Thus, they are theories with a prominent deterministic component. The scope affects usually to one entity. Nevertheless, some models not only fit into the organisation as a unit of analysis but also are used with a higher unit of analysis instead of the organisation (Aldritch 1999).

14.5.2. Evolutionary theories (Change because of competition)

This framework understands evolution as the set of changes accumulated in the structural forms of organizations, communities, business or society in general. Analogously to evolutionary biology, change comes from cycles of variation-selection and retention. In the first variations occur randomly, simply happen. Selection is produced because of competence for scarce resources, the ecosystem selects best-fit entities. Finally, retention allows perpetuating or maintaining some kind of success changes, so it is a "firewall" of the feedback effect in this process.

In this frame, the change is recurrent, accumulative and explained by probabilistic distribution inside VSR (Variation-Selection-Retention) processes.

It exists on several currents inside the evolutionary theories field. We stress the division between Darwinism advocates, establishing that the traits are inherited through intergenerational processes (Hannan and Freeman, McKelvey), and Lamarckian supporters, who consider traits like features acquired in a generation by means of learning and imitation (Weck, Burgelman). The last approach, a priori, seems more appropriate in an organisational scenario than the strict Darwinism.

These theories explain the change from a multi-entity perspective, and in terms of the degree of determinism/voluntarism there are theoretical currents with a high degree of determinism, such as population ecology, and other more deterministic ones such as "Evolutionary theory".

14.5.3. Dialectical theories (change because of conflict)

These theories are characterized by the assumption that organisations exist in a plural world of forces and events constantly shocking and competing for domination and control. This opposition can be treated not only from an internal perspective but also taking into account the external forces to the organisation.

In these theories stability and change are explained by the balance between power and opposing forces. Changes are produced when one of the forces excels and breaks the status quo.

There are two main approaches in this current:

- The Hegelian perspective of permanent conflict between the thesis/antithesis and the attainment of a synthesis as an outcome.

- The Bakhtinian process, in this process strains generated by existing dualism, remain constant and exist simultaneously, the change is produced by means of the entity reaction to those strains (Werner and Baxter 1994). The reaction can be negation, inverse spiral, segmentation, balance, integration, recalibration, and reaffirmation.

14.5.4. Teleological theories (intentional change)

Another school of thought is the teleological theory. Examples of these approaches are functionalism (Merton 1968), decision making (March and Simon 1958), epigenesist (Etzioni 1963), voluntarism (Parsons 1951), adaptative learning (March and Olsen 1976) …

The teleological theories are characterized by representing an organisation directed towards specific objectives. It is determined, adaptive and structures its actions aimed at an end, monitoring the way. The development is given by a constant reformulation of those objectives, through a constant feedback cycle based on the perception of an organisational problem.

These approaches have a bigger voluntarist component than the life-cycle ones and interpret the development and organisational change from a single entity point of view.

14.6. SUMMARY

Organisation cannot completely buffer themselves from this environmental instability. Change is induced by an internal and external forces. An organisation lacking adaptability to change has no future. Adaptability to change is a necessary quality of a good management. Organisational change is a fundamental strategy for ensuring that a public organisation remains relevant in a changing environment. Organisational change calls for a change in the individual behaviour of the employees. Organisations survive, grow or decay depending upon the changing behaviour of the employees. Most changes disturb the equilibrium of situation and environment in which the individuals or groups exist. If a change is detrimental to the interests of individuals or groups, they will resist the change.

14.7. KEYWORDS

Organisational Change
Process
Resistance
Planning
Implementation
Theories

14.8. Check your progress questions

1.Define Organisational Change
2.Why do people Resist Change?
3.Explain change process

14.9. LESSON END ACTIVITY

"Resistance to change is an irrational response". Do you agree or disagree? Explain

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14.10. QUESTIONS FOR DISCUSSION

1.Explain resistance to change
2.Explain the steps involved in the implementation of change
3.Explain the theories of organisational change

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